

**SELF-CONTAINED APPRAISAL REPORT
ROCKINGHAM COUNTY PARCEL NO. 110587
OWNED BY DUKE ENERGY CAROLINAS, LLC
ROCKINGHAM COUNTY, NORTH CAROLINA**

PREPARED FOR:

**MR. KEITH McGUINNESS
TRANSACTION MANAGER, REAL ESTATE
DUKE ENERGY
550 SOUTH TRYON STREET (DEC 22A)
CHARLOTTE, NORTH CAROLINA 28202**

PREPARED BY:

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JMA FILE #2018-115*



JOHN MCCrackEN & ASSOCIATES, INC.
Real Estate Appraisers and Consultants

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September 12, 2018

Mr. Keith McGuinness
Duke Energy
550 South Tryon Street (DEC 22A)
Charlotte, NC 28202

Appraisal Report
Rockingham County Parcel No. 110587
Owned by Duke Energy Carolinas, LLC
Rockingham County, North Carolina

Mr. McGuinness,

In accordance with your request, John McCracken & Associates, Inc. has completed an appraisal of the above referenced property. For this purpose, the subject property and surrounding neighborhood were inspected on September 1, 2018, with this date serving as the effective date of valuation. All available information (GIS and tax data, deeds, easement agreements, surveys, zoning regulations, etc.) applicable to the subject property was reviewed, and an analysis of the market in which the property is located was performed. This analysis was completed for the purpose of estimating the market value of the subject property.

The accompanying report sets forth the data and conclusions on which the opinion of value is based. From this, the market value of the referenced property, as of the date of inspection and appraisal, September 1, 2018, and subject to the attached Assumptions and Limiting Conditions, is:

ONE MILLION EIGHTY-FIVE THOUSAND DOLLARS
(\$1,085,000)

Mr. Keith McGuinness
September 12, 2018
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Exhibit B

We appreciate the opportunity to be of service. If you have any questions or need additional information, please contact us.

Respectfully submitted,

A handwritten signature in black ink that reads "Elizabeth A. Herring". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Elizabeth A. Herring, MAI

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Addenda

- Photographs of Subject
- Photograph Location Map
- Qualifications of the Appraiser

ASSUMPTIONS AND LIMITING CONDITIONS

1. The appraiser certifies that, to the best of their knowledge and belief, the statements contained in this appraisal report, subject to the limiting conditions set forth below are correct; also that the appraisal has been made in conformity with the accepted practices of the Appraisal Institute.
2. The subject parcel is appraised as though free of all liens and encumbrances, unless otherwise stated herein. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered herewith. Good title is assumed.
3. Disclosure of the contents of the appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of the report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or the MAI or SRA Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the signatory to the report.

4. Certain information in this report was furnished from sources believed to be reliable; however, such information is not guaranteed to be correct, although it has been checked insofar as possible and is believed to be correct.
5. The appraiser is not familiar with any engineering or geological studies made to determine the load bearing capacity of the land or that indicate any mineral contents of a significant nature, unless addressed in this appraisal. Because improvements in the area appear to be structurally sound, it is assumed that soil and subsoil conditions are stable, again unless addressed in this appraisal.
6. Surveys, maps, and other exhibits in this report are used merely to help the reader visualize the property and its surroundings, and no responsibility is assumed for their cartographic accuracy.
7. The value estimates reported herein are under the purpose and land-use premise stated. They are not valid for any other purpose or premise and must not be used in conjunction with any other appraisal or intended use.
8. It is assumed that the property is efficiently managed and that ownership is in responsible hands (if applicable).
9. Full compliance with all applicable federal, state, and local environmental regulations is assumed, as well as all applicable zoning, use, and occupancy regulations and restrictions as stated and considered in this report.

10. In this assignment, the existence of any hazardous or potentially hazardous material possibly located on the property or used in development of the parcels or any improvements thereon, such as urea formaldehyde foam insulation, asbestos, coal ash, or toxic waste, etc., has not been considered unless specifically stated. The appraiser has no direct knowledge of any such materials on or in the parcel, and is not qualified to detect such substances. While the appraiser does have indirect evidence to the contrary, it is assumed that there are no hazardous material spills, etc., resulting from underground storage tanks, coal ash spill, or other causes associated with the property. Full compliance with all environmental laws is assumed. The client is urged to retain an expert in this field if desired. The appraiser wishes to clearly emphasize that the detection of any such hazardous materials is beyond the scope of this valuation analysis, and that she does not purport to be a qualified engineer trained to detect such substances, and cannot assume liability for matters relating to the presence of, or impact from, any detected substances.

Non-scientific inspections of the parcel being appraised revealed no apparent evidence of buried fuel tanks, soil contaminants or potential soil contamination sources unless discussed and described in the appraisal.

11. Portions of the property may be located in wetlands areas. Unless otherwise stated in the appraisal, this analysis assumes that wetlands are not present. The appraiser has found no other evidence of wetlands (as checked via the US FWS Wetlands Mapper service), but is not an expert in this field and urges the client to seek the advice of an expert to determine any potential impact of wetlands on the parcels. Therefore, unless otherwise stated, the value estimate will assume no impact on value because of "Section 404 Wetlands" as defined by the US Army Corps of Engineers.
12. The inspecting appraiser made a personal inspection of the subject parcel, as was possible considering the overgrown nature of much of the tract.
13. Land areas used are taken from the survey/plat provided by the client and information obtained from tax records, recorded legal descriptions, etc. If there were conflicting figures, the estimated areas are based on measurements and/or all available information.
14. No items of personal property that might be located on the subject property on the date of the appraisal are considered in the valuation contained herein.

INTRODUCTION

This appraisal has been completed based upon the appraiser's inspection of the property and information provided by the client. In addition, information obtained from public records, including deeds, tax records, planning department data, etc., has been utilized for the purposes of the property description and analysis.

In some instances, there may be discrepancies between the county tax maps, GIS maps, deeds, surveys, etc. Accordingly, the exhibits provided are for additional support, but are not purported to be completely accurate and reliable. All available information applicable to the subject property has been relied upon for the valuation analysis herein.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject property is situated along the eastern margin of South New Street and the northern margin of the Dan River, just south and east of the corporate boundary of the City of Eden, in Rockingham County, North Carolina. The property is identified by Rockingham County as Tax Parcel Number 110587, owned by Duke Energy Carolinas, LLC. According to the land areas provided by the client and as shown on the plat, the subject tract contains 204.747 acres, and is currently vacant and unimproved.

It is noted that Duke Energy Carolinas, LLC also owns land on the western margin of South New Street; however, this land area is not included as part of this valuation. For information purposes only, this additional landholding is identified as Tax Parcel Number 110532 and contains 217.090 acres, per the plat.

INSPECTION OF THE SUBJECT PROPERTY

John McCracken & Associates, Inc. has been contracted by Keith McGuinness with Duke Energy to appraise the property owned by Duke Energy Carolinas, LLC that is located along the eastern margin of South New Street and the northern margin of the Dan River, just south and east of the corporate boundary of the City of Eden, in Rockingham County, North Carolina. As part of the initial contact, additional information including the subject's recent transaction history, recorded plats, and limited details relating to a pending sale of the property were also provided by the client.

For the purpose of coordinating an inspection appointment, the appraiser contacted Mr. Keith McGuinness, Transaction Manager, Real Estate with Duke Energy via email (Keith.McGuinness@duke-energy.com). Mr. McGuinness indicated that it would be permissible to inspect the property without owner representation. An inspection was completed on September 1, 2018 and this date will serve as the effective date of this appraisal. During the on-site inspection, the appraiser was able to view various points on the subject property; however, due to limited access to all points of the property (overgrown vegetation, lack of internal roads, etc.), the appraiser must rely upon other sources of information in order to further describe the property.

DATE OF APPRAISAL

The effective date of appraisal is September 1, 2018, which is the date of the inspection.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple interest in the property (parcel). The market value estimate is the opinion of the appraiser and assumes a reasonable exposure time (preceding the effective date of appraisal) of one year or less.

INTENDED USE/INTENDED USERS

In accordance with the 2018-2019 edition of the *Uniform Standards of Professional Appraisal Practice* effective January 1, 2018, the following is noted. The client and intended user Duke Energy Carolinas, LLC, and any of their representatives. The intended use of the appraisal is to assist in the sale of private property.

SCOPE OF THE APPRAISAL

The completion of the appraisal requires investigations and analyses. The *Uniform Standards of Professional Appraisal Practice* provided by the Appraisal Foundation provides the basic criteria, definitions, and guidelines to be used by this firm for this assignment. The more project specific information, including the area and neighborhood analyses, was obtained from the inspection of the area, as well as various reports prepared by governmental agencies.

For land use trends, growth forecasts, public policy, and information regarding the influences surrounding the subject, the appraiser has examined economic and demographic data provided by sources including, but not limited to, the Eden Economic Development and Tourism Office, the Rockingham County Partnership For Economic And Tourism Development, the Eden Planning & Zoning Department, the US Census Bureau and the North Carolina Employment Security Commission. This data includes economic trends, employment statistics, demographic data, and economic development information. For infrastructure information, including transportation considerations, and utilities (water and sewer) issues, the appraiser has consulted with the various county departments and service authorities, as necessary.

Numerous steps were taken in the accumulation and presentation of data utilized in the valuation. The appraiser researched public tax records, deed records, online listing service transactions, and leads/data obtained through other real estate professionals, for transfers of real estate; interviewed local market participants, county officials and other individuals with knowledge of the area's real estate market. Data collection included a comprehensive review of sale transactions occurring in the

county as a whole during the past several years. Due to the nature of the property, land sales transactions in additional counties were also researched, specifically for large acreage transactions. Each sale was confirmed by a party to the transaction. The sale details were augmented by applicable tax data, deed information, and information from county GIS data. Lastly, each sale was physically inspected and photographed. This process is the foundation of sales information presented in this report.

Information specific to the subject property was obtained from several sources, including the client and public sources. In addition to the survey provided by the client, the primary source of information was the appraiser's personal inspection of the subject property on September 1, 2018, during which general and specific features were noted and photographs were taken. As previously noted, not all areas of the property were accessible, given the lack of internal roads and the wooded/overgrown nature of the site. Much of the pertinent information regarding the history of the property, physical features, etc., was gathered from public sources including available public records: the deeds/plats of record, tax maps, GIS overlays and assessment data.

The appraiser also reviewed other available materials including applicable FEMA Flood Insurance Rate Maps and USGS topographical maps. A specific soil survey for the property is not available. Based on the foregoing, it is assumed that the subject parcel will conform to all federal, state, and local guidelines in these matters. The appraiser also assumes that the load-bearing capacity of the soil is adequate for any allowed development. While the appraiser has indirect evidence to the contrary, this report assumes that there are no hazardous materials to be considered.

DEFINITION OF MARKET VALUE

Market Value is defined as follows:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.¹

PROPERTY RIGHTS APPRAISED

This appraisal includes an estimate of the Market Value of the fee simple interest in the subject property. This forms the basis of the value estimate of the subject parcel, as presented in this report.

Fee simple interest (Fee Simple Estate) is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

Fee simple interest implies an ownership of all the rights in the real estate, as if completely unencumbered; however, it must be noted that completely unencumbered real estate ownership in today's market would be highly unusual. The definition of Market Value implies that financing is on terms generally available in the community at a specified date and typical for the property in its locale.

¹ *The Appraisal of Real Estate*, published by Appraisal Institute, Fourteenth Edition, 2013, p. 58.

² *The Dictionary of Real Estate Appraisal*, published by Appraisal Institute, Sixth Edition, 2015, p. 90.

ESTIMATE OF EXPOSURE TIME

The *Uniform Standards of Professional Appraisal Practice* states that "when developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion." Exposure Time is defined as "[t]he estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market."³

The overall concept of reasonable exposure encompasses adequate, sufficient, and reasonable time and effort, with focus on the time component. Stated differently, exposure time relates to the period of time that it should take to sell a property at market value if a sale of the subject property, as of the effective date of appraisal, were the objective of the owner. Exposure time for the subject property is estimated to average approximately twelve months, although it is recognized that exposure time is different for various types of property and under various market conditions.

In a situation where a property is suitable for a higher use that would command a higher price, but where there is no demonstrable demand for such use, an owner may desire to simply hold the property until market conditions change sufficiently to allow the higher use. This "holding period" may only be a few years or it may be indefinite. In these situations, it is not the objective of the owner to sell the property, but to hold it for a future sale. Thus, the estimate of the higher value to ultimately be obtained is both a prospective future value (not present market value) and also a very speculative value since future market conditions may be very unpredictable.

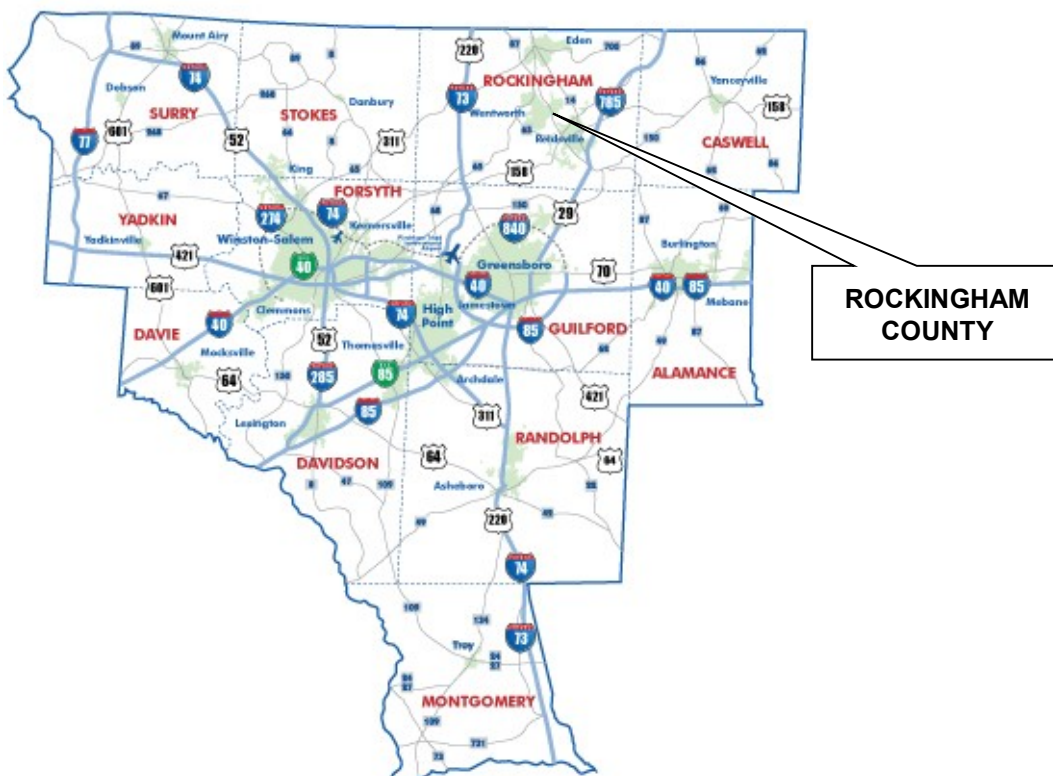
Conversations were held with market participants including brokers, buyers and sellers, and local governmental officials such as representatives from the planning and zoning department and economic development offices, in order to obtain a general indication of the strength of the local market and its impact upon sales activity. These sources also provided an indication of marketing times.

³ *The Dictionary of Real Estate Appraisal*, published by Appraisal Institute, Sixth Edition, 2015, p. 83.

DESCRIPTION AND ANALYSIS OF THE AREA

Because real estate is an immobile asset, the economic trends and forces that affect the quality of the subject's location must be fully evaluated. Past and probable future trends affecting the economic structure of the market area are studied and likely changes are analyzed.

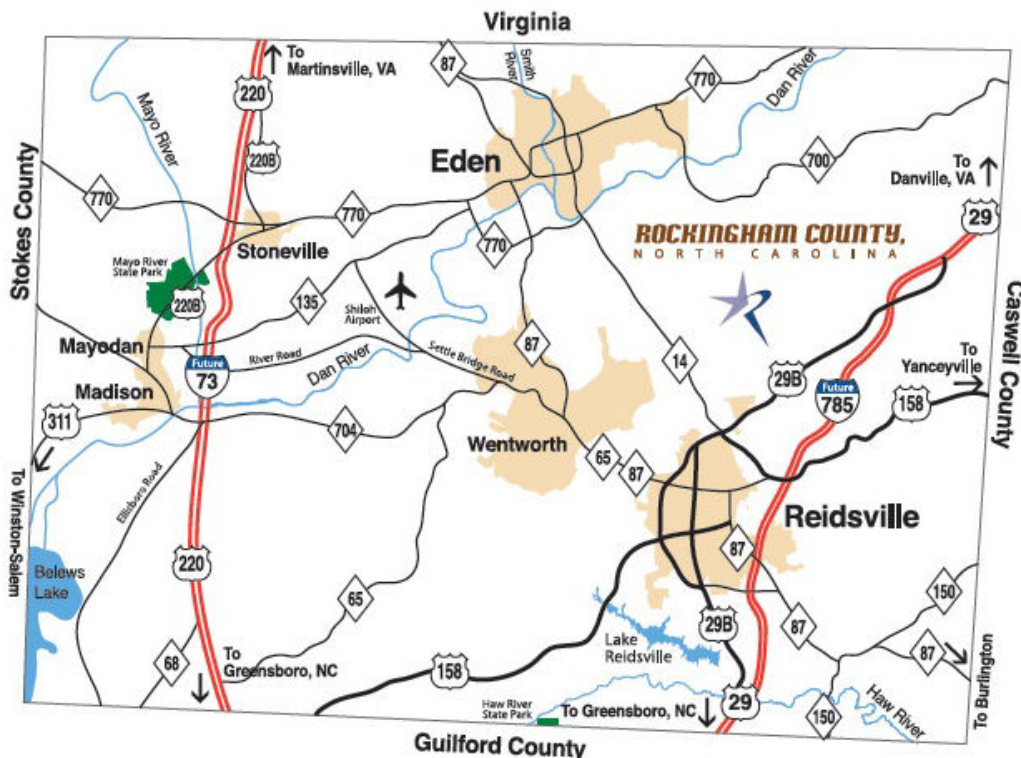
The subject is in Rockingham County, located on the state boundary with Virginia, and part of the 12-county Piedmont Triad economic development region. The Triad is the second largest metropolitan area of North Carolina, having over 1.7 million people, which is built around an urban core of Guilford County, Forsyth County and Alamance County, as well as their Metropolitan Statistical Areas (MSA). The area is served by multiple major interstates and shipping corridors, and is home to a central major international airport as well as major shipping hubs for FedEx, making the area a prominent center for manufacturing, distribution and logistics operations. Rockingham County is predominantly rural overall, with agricultural operations still heavily present; it is however, centrally located relative to the core Triad counties, with the major economic areas of Winston-Salem, Greensboro and Burlington being easily accessible, and with reasonable travel times from various points in the county. A map of the Piedmont Triad follows.



Transportation

One of the most significant factors in the larger area economy is its accessibility to major markets. More national and state highways converge in the Piedmont Triad than in any other area of North Carolina. Five interstate highways (I-85, I-40, I-77, I-73, I-74) and nine US highways (52, 220, 64, 311, 29, 70, 421, 158, 601) provide excellent connectivity between the Triad and the state's other major economic regions around Raleigh and Charlotte, with many of these highways and interstates being prominent shipping and travel routes up and down the east coast.

Major roadways such as I-73, US 220, US 29, US 158 and US 311 enter or traverse Rockingham County. These roadways have been part of the historical influence drawing manufacturing and distribution center operations to the area, which have brought with them an associated influx of freight shipping, trucking and logistics firms to the area. These and other major secondary routes allow county residents to easily travel in and out of the area's cities and towns, as well as provide quality accessibility and reasonable travel to major economic centers outside the county, like Greensboro, and the added employment opportunities that they provide.



Norfolk Southern operates rail lines through Rockingham County, with lines running to or through the Eden, Reidsville, and Madison/Mayodan areas. CSX freight and Amtrak passenger rail services are available outside of Rockingham County in the larger Triad region. The Piedmont Triad International Airport, located in nearby northwest Greensboro, is the closest major international airport and home to the FedEx Mid Atlantic Air Hub. The Rockingham County NC Shiloh Airport is the county's local regional airport, located in Stoneville, just east of Madison/Mayodan.

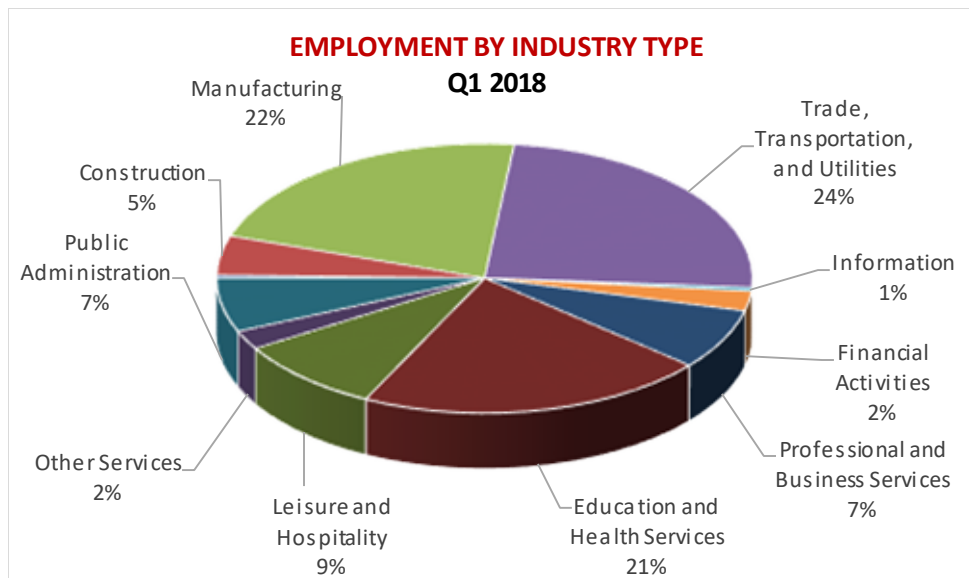
Population

As shown in the following table, Rockingham County has seen slow and limited population gains over prior decades, owing to its still largely rural character. By current 2017 estimates, the county is showing signs of overall population loss, which while partly for natural reasons pertaining to births and deaths, is also likely an indication of the weaker economic state of the county as compared to the more prominent counties to the south of it. The county is included in an MSA with Guilford County to the south, with the combined two-county area seeing overall significant population gains; though with a notable slowdown in growth overall into the 2010s. The other indication here is that despite Rockingham County's proximity the core economic counties of the Piedmont Triad (Guilford, Forsyth and Alamance), things have not progressed far enough to truly transition the county into a "bedroom community" of any of these neighboring counties despite its close proximity and access, with enough developable area and affordable housing options available within these counties to keep drawing residents in directly.

POPULATION								
Period	Rockingham Co.	% Chg.	MSA	% Chg.	Triad	% Chg.	State	% Chg.
1980	83,426		492,308		1,137,219		5,881,766	
1990	86,064	3.16%	540,030	9.69%	1,242,057	9.22%	6,628,637	12.70%
2000	91,928	6.81%	643,430	19.15%	1,464,979	17.95%	8,049,313	21.43%
2010	93,640	1.86%	723,798	12.49%	1,640,784	12.00%	9,535,471	18.46%
2017*	90,949	-2.87%	761,184	5.17%	1,713,613	4.44%	10,273,419	7.74%
Source: U.S. Census Bureau, * July Estimate								

Economy

Unlike some of its more economically diverse neighbors that have largely transitioned away from more traditional industries, Rockingham County continues to be heavily oriented toward them. Much of the county remains agricultural or farming oriented and a significant portion (nearly half) of the county's total employment base is in manufacturing, trade and transportation, with another near quarter of the base falling into education and health services, as seen in the following chart of employment distribution by sector.



This industry sector focus is also noted in the chart of major employers to follow, with the county home to many large manufacturing, distribution and trucking and logistics operations. The county continues to see changes in these major local industries also. This has unfortunately included some major/prominent closures, including notably the 2003 Pillowtex facilities closure and more recent 2016 MillerCoors brewery closure, with both located in Eden. That said, the county continues to see growth particularly in its manufacturing sector. Over years, many manufacturing companies throughout the county, and many of its major employers have expanded, or continued to expand, their operations in the county, and the county has also seen various new operations established also. Major employer Gildan, a textiles/activewear manufacturer, has continued expanding its presence in the area including a 2014 expansion of its Eden distribution facility. They also now occupy space and employ people in one of Eden's two former Pillowtex plants, now owned by Massood Logistics

who operate a furniture distribution center and logistics operation from the site. The other former Pillowtex plant is now a Weil-McLain manufacturing plant and distribution facility for their heater and boiler products. In 2009 Loparex, LLC, a global manufacturer of polycoated and silicone-coated papers and films, expanded its Eden manufacturing operation, with another expansion in 2013. Albaad USA, an Israel-based personal care and feminine hygiene manufacturer, expanded their Reidsville manufacturing and headquarters operations twice in recent years, in 2011 and 2018, with latter including moving operations out of Kentucky. Plastics manufacturer WEK/WhiteRidge Plastics also expanded their manufacturing facility in Reidsville in 2011. In 2014, Shri Govindaraja Textiles (SGRTEX), an India-based yarn producer, opened a manufacturing operation in Eden. In 2013, firearms manufacturer Sturm, Ruger & Co. purchased the former Unifi plant in Mayodan to establish a new manufacturing operation for its firearm products, the company's first such new operations expansion since 1988. In 2015, Mohawk Industries expanded its Karastan brand manufacturing facility in Eden. In 2016, Isometrics, maker of aircraft related products, expanded its Reidsville facilities. And in 2017, Smith-Carolina, a producer of precast concrete products, announced the expansion of its Reidsville manufacturing operation, to be complete by the end of 2018. Illustrating the high level of employment in the noted industries, a listing of the county's 25 largest employers follows next.

ROCKINGHAM COUNTY - LARGEST EMPLOYERS (1st QUARTER 2018)			
Rank	Company	Industry	Employment
1	School System	Education & Health Services	1000+
2	Wal-Mart Associates Inc.	Trade, Transportation, & Utilities	1000+
3	Unifi Manufacturing Inc	Manufacturing	500-999
4	Rockingham County Finance Office	Public Administration	500-999
5	Morehead Memorial Hospital	Education & Health Services	500-999
6	Gildan Activewear	Trade, Transportation, & Utilities	250-499
7	Frontier Spinning Mills Inc	Manufacturing	250-499
8	Keystone Foods	Manufacturing	250-499
9	Cone Health	Education & Health Services	250-499
10	Food Lion	Trade, Transportation, & Utilities	250-499
11	KDH Defense Systems Inc	Manufacturing	250-499
12	Rockingham Community College	Education & Health Services	250-499
13	Mabe Trucking Co Inc	Trade, Transportation, & Utilities	250-499
14	Global Textile Alliance Inc.	Trade, Transportation, & Utilities	250-499
15	Henniges Automotive	Manufacturing	250-499
16	Ruger	Manufacturing	250-499
17	Lowes Home Centers Inc	Trade, Transportation, & Utilities	250-499
18	ADTS	Education & Health Services	250-499
19	Mohawk ESV Inc	Manufacturing	100-249
20	City Of Reidsville	Public Administration	100-249
21	City Of Eden	Public Administration	100-249
22	ATC Staffing Solutions	Professional & Business Services	100-249
23	McMichael Mills Inc	Manufacturing	100-249
24	The Marley Wylain Company Inc	Manufacturing	100-249
25	Loparex LLC	Manufacturing	100-249
Source: Labor & Economic Analysis Division (NC Dept. of Commerce)			

Exhibit B

While the county is seeing positive trends in major industry expansions, it is worth noting that while such expansions are positive and often bring with them a sizable monetary investment in the area, they do not always create many long-term jobs. An assessment of overall county employment seems to echo this, as the county continues to see overall jobs loss and decline. As shown in the chart below, following the onset of the last economic recession, the county saw substantial job losses, losing roughly 4,000 positions from the pre-recession high in 2005/2006, to by the time the recession was officially over in 2009. Since then the county has seen much volatility in its job market, with several up and down growth/decline periods; some new jobs have come in to offset, but the gains are short lived. The overall employment trend appears to be one of slow decline, with major closures or layoffs, like that of the recent MillerCoors brewery operation, hitting the county hard.

ANNUAL AVERAGE EMPLOYMENT (Total All Industries)			
YEAR	EMPLOYMENT	JOB GROWTH	% CHANGE
2005	30,696		
2006	30,461	(235)	-0.8%
2007	29,495	(966)	-3.2%
2008	29,107	(388)	-1.3%
2009	26,999	(2,108)	-7.2%
2010	26,622	(377)	-1.4%
2011	26,426	(196)	-0.7%
2012	26,757	331	1.3%
2013	25,887	(870)	-3.3%
2014	26,161	274	1.1%
2015	26,042	(119)	-0.5%
2016	26,495	453	1.7%
2017	25,613	(882)	-3.3%
Q1 2018	24,954	(659)	-2.6%
Source: Labor & Economic Analysis Division (NC Dept. of Commerce)			

Despite its internal struggles with job growth and job loss, the county, especially so those living in the southern part and around Reidsville have an expanded labor employment market to look to for jobs, given the ease of access and short travel to nearby major metropolitan and economic centers like Greensboro and Winston-Salem, with this influence clearly being factor for county employment. An assessment of unemployment data shows that following the onset of the last economic recession, unemployment in the county spiked and remained at a heavily inflated level through 2012. Since then the rate has been on a slow decline with a current rate just over the average levels of the state and Piedmont Triad. The county's rate is also only moderately above the

corresponding rates for neighboring Guilford County (Greensboro) to the south. The declining unemployment rate seems counter to the general trend of overall jobs decline within the county described previously; however, the fact that unemployment continues to improve directly establishes that there is a reliance on jobs outside of Rockingham County, from areas to the south like Winston-Salem and Greensboro, or even to the north in Virginia (Danville or Martinsville).

UNEMPLOYMENT RATES											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Rockingham Co.	7.7%	12.5%	13.2%	12.1%	11.2%	9.4%	7.9%	6.6%	5.6%	5.2%	4.8%
Triad	6.5%	10.8%	11.2%	10.4%	9.4%	8.1%	6.3%	5.7%	5.0%	4.5%	4.2%
North Carolina	6.3%	10.4%	10.8%	10.2%	9.2%	8.0%	6.6%	5.7%	5.1%	4.6%	4.2%
Source: Labor & Economic Analysis Division (NC Dept. of Commerce)									*January - June		

Conclusion

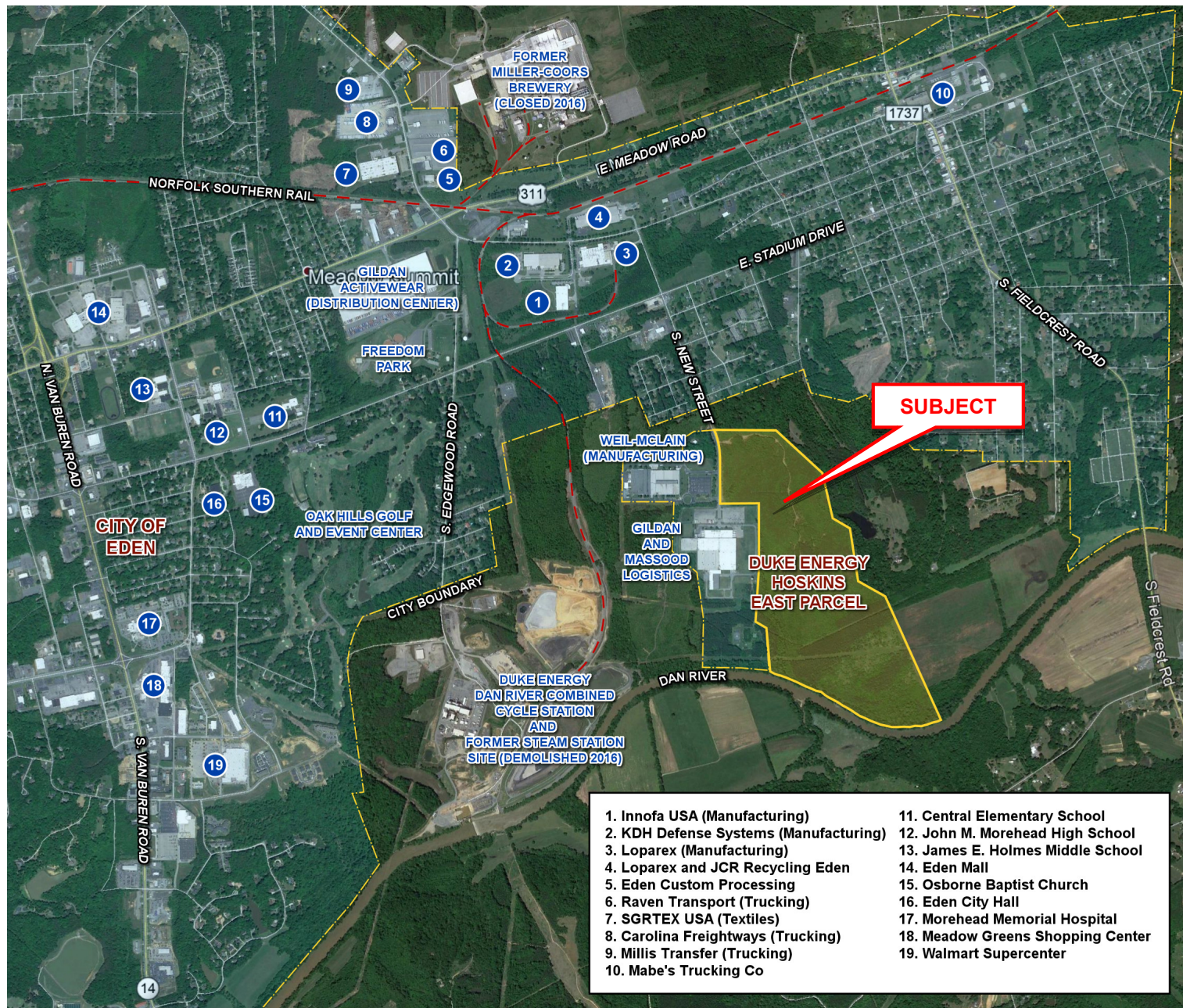
Rockingham County is part of the Piedmont Triad, and sees benefits being part of the region for economic incentives as well as extended employment opportunities. The county benefits from a good quality local transportation network in addition to the extended network of the Triad, which continues to be the foundation and driving factor of its long-term manufacturing, distribution and shipping and logistics employment base. The county continues to see volatility post-recession, with continued loss of jobs overall that are still outweighing the growth and expansion of its manufacturing and distribution base, with losses like that from the prominent Eden-based MillerCoors brewing facility having significant impacts.

The county has positive support in its central location relative to better economically diverse employment centers in Greensboro, Winston-Salem and Burlington, and even to areas in Virginia, that provide more or better job options at the expense of a moderate level of added travel. The county has many firm foundations for continued economic growth and expansion locally, and with a strong workforce and good marketing and incentives options by the county and local economic development authorities, the county should continue to incentivize local expansion and attract new manufactures and distributors to the area, but it will take strong, continuous efforts to quell the negative trend of ongoing local job losses that continues to be seen post-recession.

IDENTIFICATION OF THE NEIGHBORHOOD

As shown on the following map, the subject area is situated east of North Van Buren Road (NC 14/87), south of East Meadow Road NC (NC 770), west of South Fieldcrest Road (NC 700), and north of the Dan River, with this area both within and outside the corporate limits of the City of Eden. In the vicinity of the subject, NC 87 runs northwest to US 220 (connecting Eden with Greensboro and Martinsville) and southeast to US 29 (connecting Eden with Reidsville), while South Fieldcrest Road (NC 700) runs east to US 29 (connecting Eden with Greensboro and Danville). Also noted is an active Norfolk Southern rail line that extends into Eden bisecting the area, generally in an east/west direction, with East Meadow Road, with service or spur lines into the Loparex, Duke Energy and former MillerCoors sites.

The subject property lies within an unincorporated area of Rockingham County, adjacent to the Eden corporate limits. Given the road network described above, proximity to the Dan River and established communities, and the uses in the immediate subject area as further discussed below, the subject area is considered to be that area illustrated on the following map.



There are a number of significant land uses in the subject area. One of the most notable is the former Dan River Steam Station that was retired in 2012. Around the time of this facility's retirement in late 2012, the new Duke Energy Dan River Combined Cycle Station, located at the end of North Edgewood Road, west of the subject, began commercial operation. This technology uses two sources of energy, combustion and steam turbines, to convert natural gas fuel to electricity. The new facility has 620 MW of natural gas-fueled generation, or more than twice the 276 MW of coal capacity that was retired, with a higher efficiency and flexibility and lower emissions. In February 2014, a coal ash spill occurred at the retired coal-fired plant, and a portion of the coal ash stored on site leaked into the Dan River. According to news releases, the coal ash cleanup at the site near Eden is complete. Duke demolished the former steam station in 2016, with the full site demolition completed in 2017.

Also located in the immediate subject area, at the end of South New Street and adjoining the subject, are the former Pillowtex manufacturing and distribution facility buildings. The distribution building is now occupied by Gildan and Massood Logistics, and represents a combined building area of over 500,000 square feet. The manufacturing facility is currently occupied by Weil-McLain, a leading designer, manufacturer and marketer of gas and oil-fired hot-water and steam boilers for space heating in residential, commercial and industrial buildings.

Traveling from the immediate area around the subject, in a northerly direction, are other established industrial developments located along more visible local thoroughfares, including East Meadow Road, Summit Drive, South Fieldcrest Road, etc. Specific developments include the Gildan Sportswear Facility and the Eden Industrial Park, home to Loparex, KDH Defense and Innofa USA , and numerous other freestanding industrial properties occupied by various users. West of the subject area, along North Van Buren Road, are a wide variety of commercial uses including restaurants, shopping centers, office buildings, etc. Institutional uses are scattered over the area and include the Morehead Memorial Hospital to the west and Central Elementary, James E. Holmes Middle and John M. Morehead Senior High Schools, Eden City Hall and the City of Eden Freedom Park to the north and northwest. Older/established residential neighborhoods are typically located off of the main thoroughfares, with their being notable residential development to the north/northeast.

Exhibit B

One of the most significant changes in the immediate subject area is the closure of the MillerCoors Brewery, which had been a predominant employer in Rockingham County with over 500 employees. This brewery closed in September 2016, and is currently being marketed for sale.

Otherwise, the immediate subject area has experienced little change for many years. This is attributable to the current economic climate as well as local trends, with much of the more recent residential and commercial growth having occurred closer to US 220 and US 29, outside of the influence of the Eden corporate limits. Further, the more recent industrial announcements (new move-ins, expansions and new development) have been more evenly distributed over Rockingham County, including the subject area, but mostly along the major thoroughfares.

DESCRIPTION OF THE PROPERTY

The subject property is situated along the eastern margin of South New Street, south of East Stadium Drive just outside of the City of Eden, and is identified on the Rockingham County tax records as Parcel Number 110587. As shown on the survey at the end of this section, the land contains a total of 204.747 acres. This land area is generally consistent with the Rockingham County tax records (204.750 acres) and the legal description contained in the most recent deed involving the subject property (204.844 acres).

The subject tract has 1,256.77 feet of road frontage along the eastern margin of South New Street, which is minimal considering the larger size of this tract. The vehicular-accessible road frontage along South New Street is supplemented by over 3,100 feet (0.6 mile) of Dan River frontage.

The subject acreage is very irregular in shape; however, its shape is not significantly limiting in terms of development potential due to its large size. Elevations on the subject tract range from 480 feet above mean sea level along the banks of the Dan River to a high of approximately 620 feet above mean sea level closer to the northern property boundary and the South New Street frontage. Again, due to the large size of the subject tract, this roughly 140 feet of elevation change is not significant. The subject tract is generally level to gently rolling throughout. With the exception of an existing gas line easement and a partially cleared internal drive/walking trail, the subject tract is mostly wooded throughout. Aerial imagery shows an area of row planted timber at the south end of the site, around the gas and sewer easements and in the flood area, with this possibly for some form of erosion or ground control.

The subject is currently accessed via a gated gravel drive off South New Street near the northern boundary, with this driveway clearly noted on both the subject plat and aerial imagery. During the on-site inspection, the central drive was found to be heavily overgrown, and unpassable beyond most of the northern section, preventing access to the rest of the subject site.

The property is currently owned by Duke Energy Carolina LLC, who also owns land on the western margin of South New Street. These two tracts are not contiguous, and the 217.090-acre land holding on the western margin of New Street is not included as part of this appraisal report. As will be discussed more fully in the Zoning section of this appraisal, the subject property is not currently located within the town limits of Eden, but does fall within its Extraterritorial Jurisdiction (ETJ). Much of the surrounding land area, including all of the land to the north, is located in Eden. The two improved industrial parcels between the subject property and the other Duke Energy Carolinas, LLC-owned tract have also been voluntarily annexed.

Public water and public sewer are currently available in the immediate neighborhood of the subject property. In fact, both utilities extend along South New Street and provide access to the annexed industrial properties along South New Street. These utilities would be available to the subject property at such time as it were annexed into Eden. Accordingly, it is probable that the subject property could readily access both public water and public sewer, particularly in that the property is in the process of being transferred to the City of Eden, as will be discussed in the History of the Property section. Access to public utilities is a favorable amenity for industrial land.

According to FEMA Flood Insurance Rate Maps 3710799900J and 371170900J, effective July 3, 2007, portions of the subject property are located within a Dan River floodway and/or within a Zone AE flood hazard area. Based on scaled measurements taken from the GIS, approximately 82± acres of the subject property is within the flood hazard area and/or floodway. This equates to approximately 40% of the total land area. Since construction is not permissible with a floodway, the impact on the subject tract is even more limiting. The subject property is not restricted by any watershed regulations. Two gas line easements (50-feet and 10 feet) also extend through the southern portion of the subject property, along with a 20-foot sewer easement; however, these easements are located within the flood hazard area and do not further limit the development potential of the land. Additional details are included in the History of the Property section of this report.

The appraiser is aware of the potential for contamination at the subject site, most especially the land area adjoining, and closest to, the Dan River. The appraiser is not an expert in the field of contamination and makes no claim in this appraisal as to the suitability of the soils. This appraisal report assumes that the soil is free of contamination and assumes no impact from any potential nearby contamination.

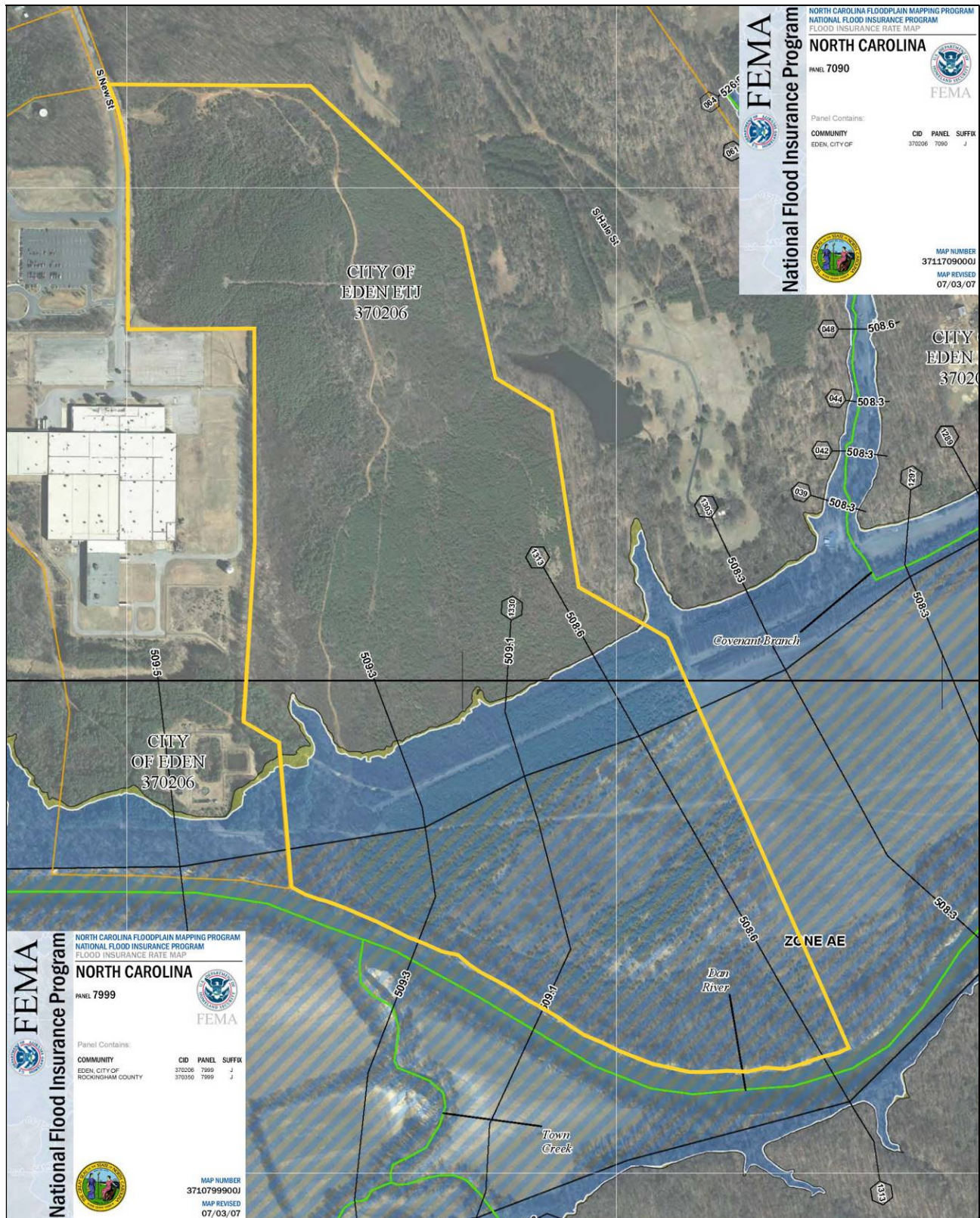
Overall, the subject tract is desirable in terms of its potential for access to public water and sewer and its gently rolling terrain. While it is of a size that is somewhat larger than typical tracts in the surrounding area, this size serves to offset the impact of the tract's irregular shape. The subject tract is not a developed site, and also has only limited frontage, considering its large size and elongated shape. Further, the existence of the flood zone and floodway across roughly 40% of the acreage is not considered to be a significant factor influencing the potential of the property and its value, particularly given the location of the flood area and the large size of the subject.

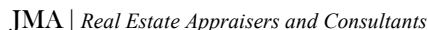
While the neighborhood surrounding the subject property is comprised of older residential construction and industrial developments, the physical characteristics of the subject property are most conducive to an industrial use. The following exhibits provide a pictorial representation of the subject's boundaries and limited accessible frontage, the undeveloped/wooded nature of the land area, the terrain, the location of the flood hazard area and floodway, as well as other property specific characteristics.

Google Aerial Map (2017)

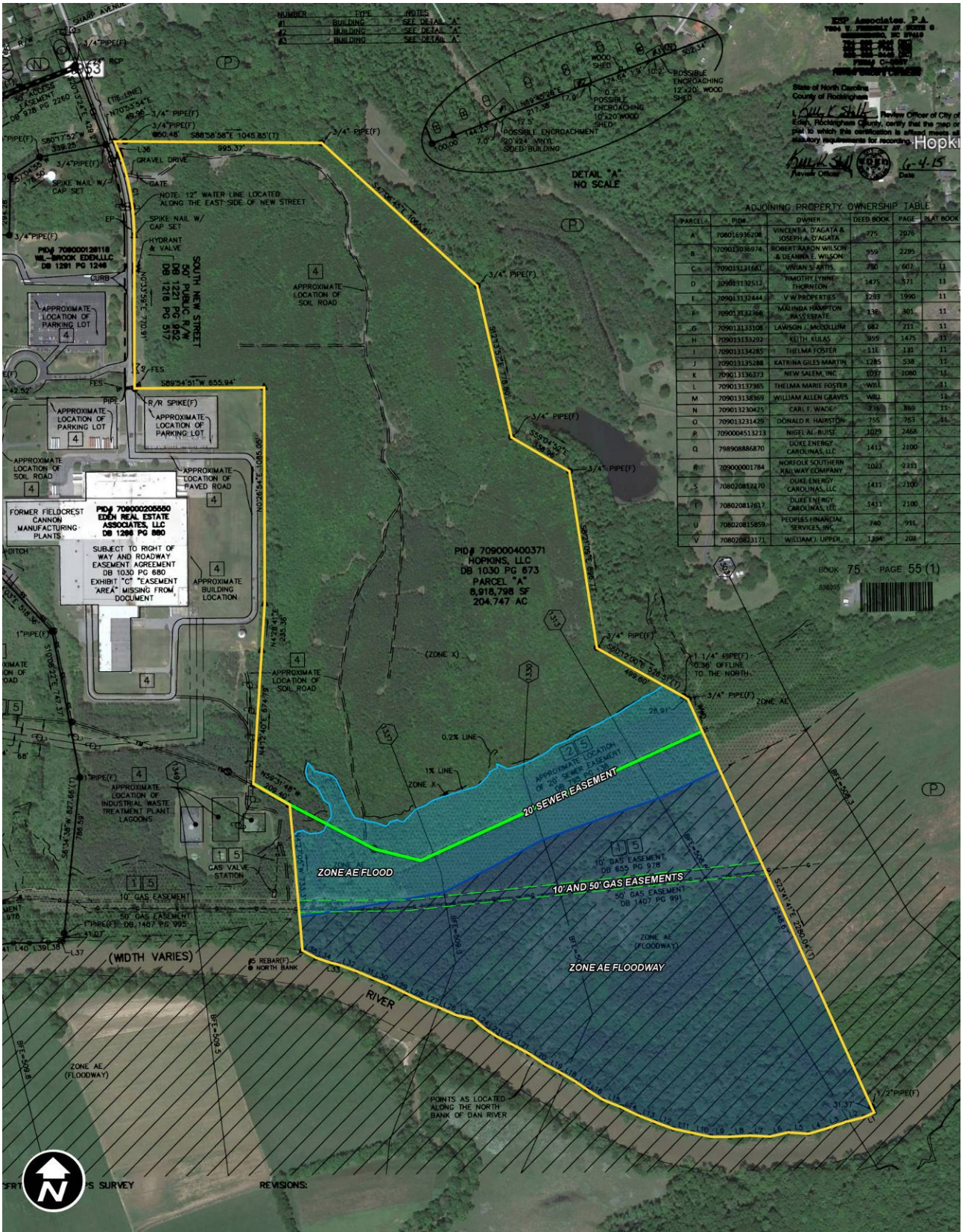


FEMA Flood Map

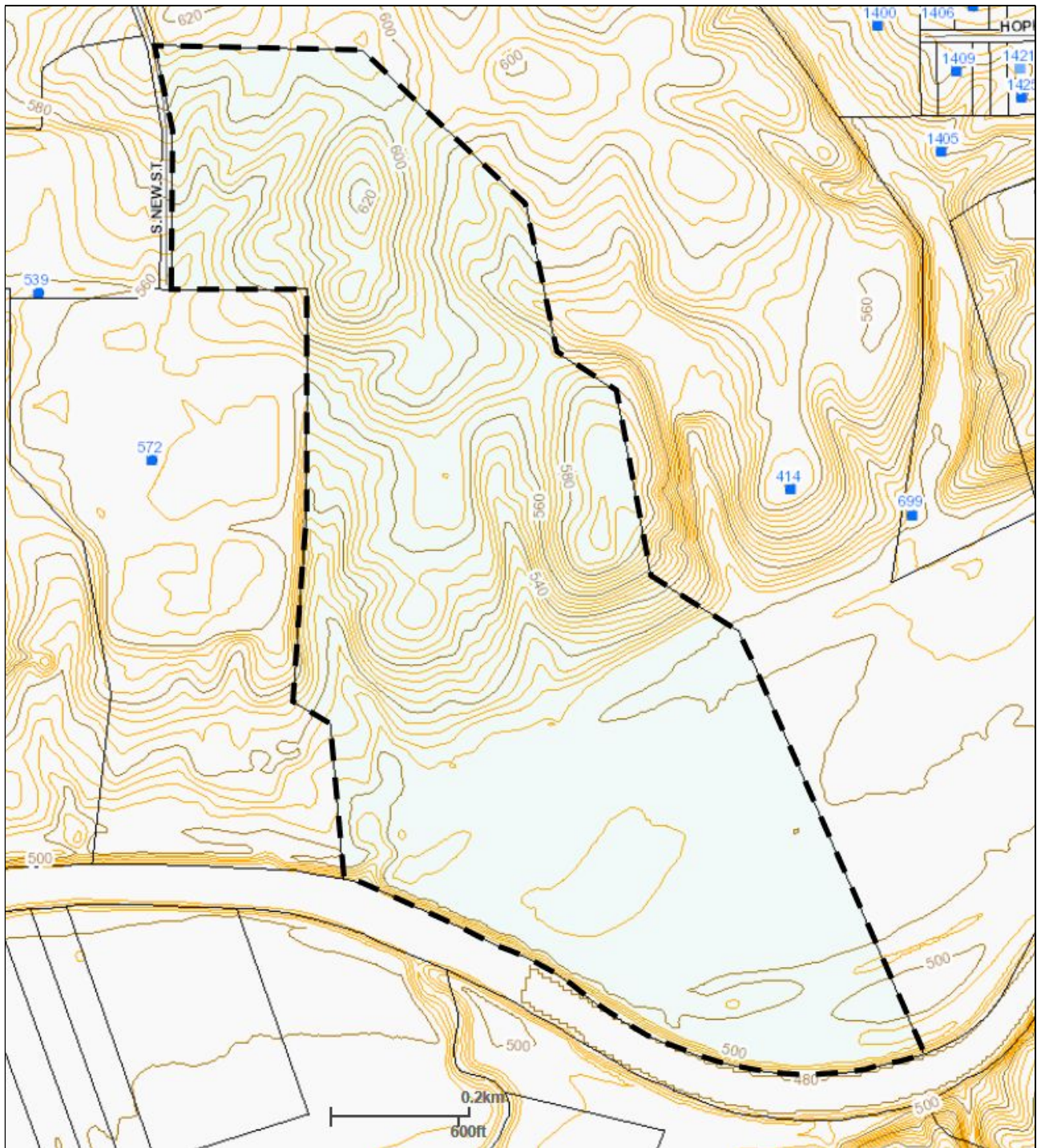




Google Aerial with Plat and Flood Overlay



GIS Exhibit with Topographical Overlay



ZONING INFORMATION

The subject property is located in Rockingham County, but falls within the bounds of the City of Eden ETJ. The subject property is currently zoned I-2 and is subject to the requirements of the City of Eden, North Carolina Zoning Ordinance. This document was originally adopted on July 16, 1968, with various, more recent revisions. According to Kelly Stultz, Director of Planning & Inspections with the City of Eden, the most recent revision to the ordinance was in July 2018; however, this revision did not relate specifically to the zoning classification in which the subject falls. In addition, the development potential of the subject needs to be considered in relation to the City of Eden Land Development Plan, which was published in August 2007. The land development plan classifies the immediate subject area as an Employment Center.

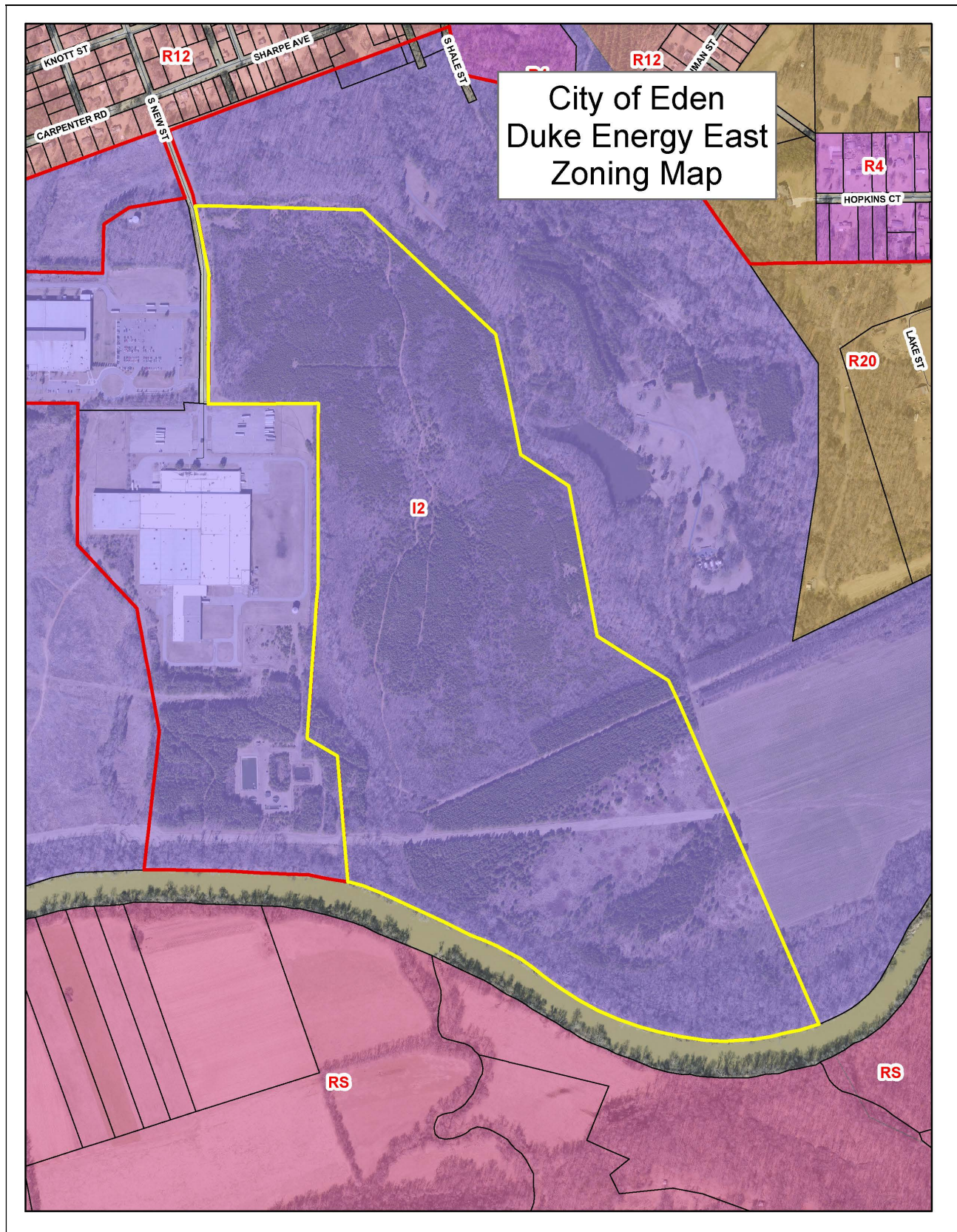
City of Eden Zoning

The subject property is currently zoned I-2, based on its location within the Eden ETJ. As of the effective date of this appraisal, the subject has not yet been annexed. That said, it is probable that the property would be considered favorably for annexation when a potential development was proposed. This is particularly true in that the property is in the process of being transferred to the City of Eden and Rockingham County.

The I-2 Industrial District is established as a district in which the principal use of land is for industries that by their nature may create some nuisance and which are not properly associated with nor compatible with uses in other zoning districts. The appraiser is not aware of any other overlay districts or watershed requirements applicable to the subject tract.

Until recently, the I-2 Industrial District was the heaviest industrial classification in Eden; however, a super-heavy, I-3 Industrial District has recently been implemented, with special-use permits required. Permitted uses in the subject's I-2 district include all of the uses allowed within the I-1 Industrial District, as well as numerous other uses including, but not limited to, automobile service garages; bottling plants; brick manufacturers, retailers and wholesalers; cold storage plants; construction contractor's office and/or storage yards; feed mills; industrial equipment, machinery repair and servicing; storage yards for heavy equipment; textile manufacturing; utilities, etc.

City of Eden Zoning Map



Dimensional requirements in the I-2 Industrial District are as follows:

- Minimum Lot Width: 200 feet
- Yard Requirements
 - Minimum Front Yard: 50 feet, which shall be devoted for sidewalks, grass and plants and the necessary entrances and exits to driveways. Off-street parking shall not be permitted in this front yard area.
 - Minimum Side Yard: 20 feet, with some exception, as detailed in the ordinance.
 - Minimum Rear Yard: 20 feet, with some exceptions, as detailed in the ordinance.
- Building Height: No building shall exceed 35 feet in height unless the depth of front and total width of side yards required herein shall be increased, five (5) feet for each ten (10) feet or fraction thereof of building height in excess of 35 feet. Flag poles, antennas, chimneys, and similar accessories to buildings are exempt from this height limitation.
- Visibility at Intersections: On a corner lot nothing shall be erected, placed, planted, or allowed to be grown in such a manner as materially to impede vision between a height of two and one-half (2 ½) feet and ten (10) feet in a triangular area formed by a diagonal line between two (2) points on the right of way lines, 20 feet from where they intersect.

The I-2 Industrial District also requires a buffer area. According to the ordinance, where this district abuts a lot in a residential district or land occupied by a residential use permitted by the Ordinance, the owner of the industrial property shall be required to provide and maintain along said property line a continuous visual buffer. The buffer shall be a compact evergreen hedge or other type of evergreen foliage screening, or shall be a combined fence and shrubbery screen, the latter facing the residential use.

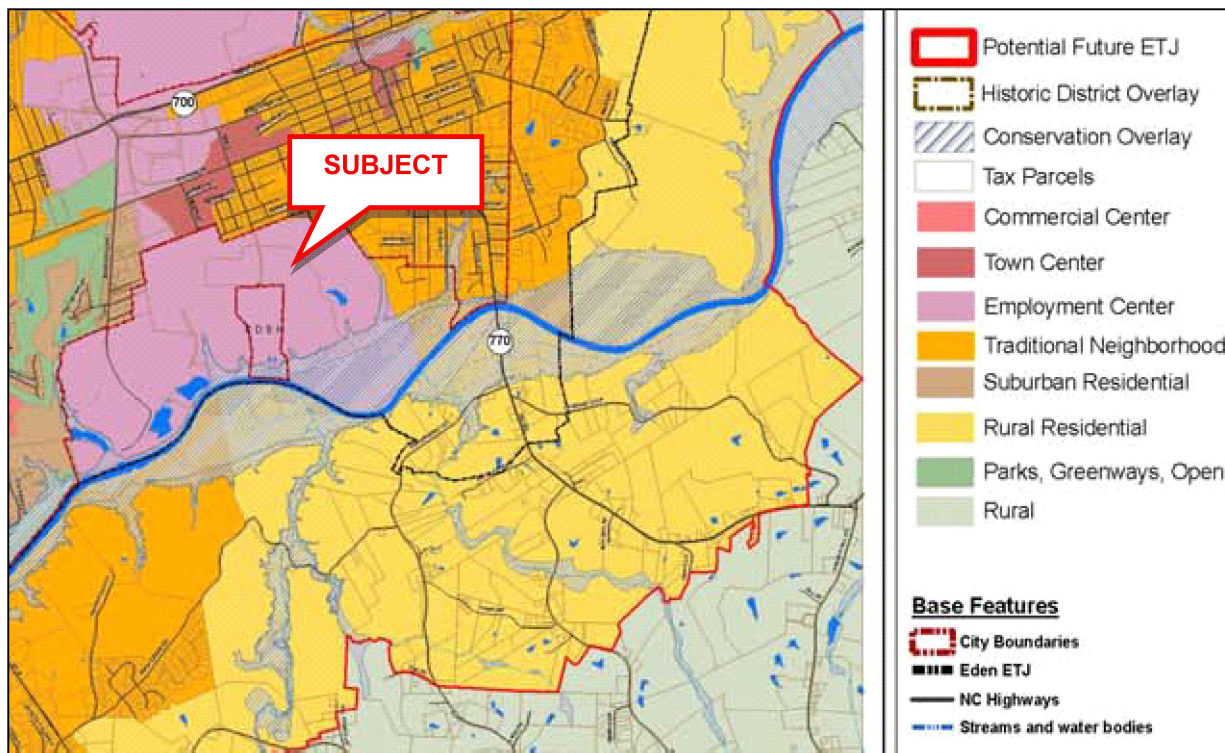
The subject property is currently vacant, but appears to have characteristics that conform to the requirements of the I-2 Industrial District zoning classification. While any significant development of the property may be combined with an annexation into the City of Eden, it is not expected that the zoning of the subject will change in the foreseeable future.

City of Eden Land Development Plan

The City of Eden adopted a Land Development Plan on August 21, 2007. The primary purpose of this plan is to provide guidance for making strategic decisions about future growth and development in the community. The Land Development Plan is not a regulatory document, but is intended to serve as a guide to the property owners and developers who propose site improvements, the staff who review and comment on these proposals, and the elected and appointed officials who consider these requests.

The subject of this appraisal falls within a designated Economic Development Area. These are areas with access to existing City infrastructure and urban services, and located within or partially within existing City limits. According to the Land Development Plan, suitable developments sites in this designated economic development area should be given the highest level of encouragement and incentives for short-range development. As shown below, the Future Land Use Map identifies the subject as an Employment Center.

City of Eden Future Land Use Map



According to the City of Eden Land Development Plan, an Employment Center is an area accommodating a wide variety of existing and new heavy- and light-industrial, commercial, office and service uses in which most employees work on-site throughout the day. The intent of this designation is to accommodate large-scale existing employment and light-industrial uses, and to provide for new office and/or business parks, research campuses, and a variety of industrial, commercial, institutional, and open space uses.

- Generally located along major thoroughfares, railroad corridors and intersections.
- Provide easy access to employees in a well-designed, campus-like setting.
- Amenities for workers may include convenient pedestrian access to shops, restaurants, daycare centers and other services, walking trails, picnic areas, and open space.
- Special attention is placed on site, landscape, and building design, by incorporating natural features, protecting environmentally sensitive areas, providing interconnectivity among uses, and providing adequate transitional uses, buffers, and screening to mitigate significant impacts on surrounding uses.

Based on its current I-2 Industrial District zoning, as well as its Employment Center classification on the Future Land Use Map, the subject location is an area of focus for growth in the City of Eden. It is anticipated that the current zoning and the industrial focus of the immediate neighborhood will continue in a similar fashion in the near future.

PROPERTY TAX

The State of North Carolina mandates that all counties value real estate at least every eight years for ad valorem tax purposes. Rockingham County's last reassessment was effective January 1, 2011, with them on an eight-year cycle. The current assessment is \$460,139, with a revaluation scheduled for 2019.

The tax assessment should not be considered as a reliable indicator of the actual market value of the subject property, as mass appraisal techniques tend to create opportunity for errors in that they do not typically take into consideration individual property features. While tax assessors have access to a wealth of market data, the goal is oftentimes the equalization of value from property to property, rather

than a pure estimate of market value. Consequently, tax assessments are less likely to reflect individual property features. It is very typical for assessed values to be less than appraised values.

The market value of the subject, as estimated in this appraisal report, is in excess of the assessed value. Nevertheless, the assessment is somewhat dated, whereas the land sales utilized in this appraisal are relatively recent and reasonably adjustable to the subject characteristics to develop the value of the subject. As will be discussed, the highest and best use of the subject land, as if vacant, is for an industrial use. This is consistent with the zoning and use potential of the comparable sales utilized. The adopted value is reflective of subject's positive features that result in a higher value indication, such as its access to public utilities, as well as its proximity to other industrial uses. The adopted value is also reflective of features that result in a lower value indication, such as its large size, elongated shape, and variable topography including flood area.

PUBLIC AND PRIVATE RESTRICTIONS

Zoning regulations are usually the primary restrictions on a property, though restrictions by deed or covenant may also apply. As discussed, the subject is under the zoning jurisdiction of the City of Eden and falls within an industrial zoning. The appraiser is not aware of any deed restrictions or covenants restricting the subject. Easements for utilities also result in some use restrictions, as does the subject's location partially within designated flood hazard/floodway areas. While various easements traverse the subject tract, none are overly burdensome. To the appraiser's knowledge, except as previously noted, there are no other restrictions that prohibit the property from being developed to its highest and best use.

HISTORY OF THE PROPERTY

While the appraiser did not complete an independent title search, based on information provided by the client and publically available online through the Rockingham County Tax Office and Register of Deeds Office, the subject property is currently owned by Duke Energy Carolinas, LLC. The property was acquired in a deed recorded on June 4, 2015 (Deed Book 1491, Page 271). Based on the metes and bounds description contained in the deed, a total of 422.245 acres (204.844 acres + 217.401 acres) was transferred. This includes the subject acreage (204.844 acres in the deed – now 204.747 acres per the current survey), as well as the adjoining 217.401-acre tract to the west (not a part of this appraisal). The tax stamps recorded with the deed indicate a transfer price of \$2,500,000. Based on the total acreage of 422.245 acres, this equates to a transfer price of \$5,921 per acre.

The property was previously owned by Hopkins, LLC, who also acquired it as part of a multi-parcel (two tracts) transaction. More specifically, the subject (and the other tract) was previously transferred from Fieldcrest Cannon, Inc. (d/b/a Pillowtex Corporation) to Hopkins, LLC on January 21, 2000 in Deed Book 1030, Page 673. The tax stamps recorded with the deed indicated a transfer price of \$212,000. Based on the total acreage stated for the two tracts 422.245 acres (217.401-acre adjoining tract + 204.844-acre subject tract), this equates to a transfer price of \$502 per acre.

Also noted is the existence of a combined 60-foot wide gas line easement (50-feet plus 10-feet) that runs near the southernmost portion of the property, basically parallel with the Dan River. On the plat, these easements reference Deed Book 1407, Page 991 (50-foot easement) and Deed Book 655, Page 978 (10-foot easement). A 20-foot wide sewer easement also extends through the subject tract, just to the north of the gas easements. On the plat, this easement is noted as being transferred in Deed Book 793, Page 138.

To the appraiser's knowledge, there have been no other transfers of the subject property over the past five years. That said, the appraiser is aware of a current agreement between Duke Energy Carolinas, LLC and the City of Eden to transfer the subject's 204.747-acre tract. According to Michael Dougherty, Director of Economic Development, City of Eden, as well as an article published in the Triad Business Journal, the property is to be transferred for \$1,500,000 to the City

of Eden. The ownership interest in the property will then be equally split between Eden and Rockingham County with \$750,000 allocated to each entity. According to Kelly Stultz, Director of Planning & Inspections and Michael Dougherty, Director of Economic Development, there has been significant interest in this land area in recent months. Ideally, an end user would develop the property; however, it could also potentially be considered for a spec building, with appropriate funding.

The property was not listed for sale with a broker. An option to purchase the property was reportedly negotiated in conjunction with prior coal ash discussions with Duke Energy. The City of Eden ultimately opted to exercise this option. While some of the land area is less usable for sheer development purposes, due to its location within a flood hazard area and floodway, the City of Eden representative indicated that this area was suitable for buffering and density purposes, and that there was also an interest in controlling the development that was to occur along the bounds of the Dan River. It is noted that the \$1,500,000 proposed transfer price of the property is reportedly still being negotiated.

HIGHEST AND BEST USE

The highest and best use analysis is an important element in determining the overall market feasibility of either a proposed or an existing use. Two analyses are generally made when considering the highest and best use of a property: (1) the site is viewed as if vacant and available for development; and when applicable (2) the property is analyzed based on its existing improvements and location (if applicable).

According to *The Appraisal of Real Estate*, Highest and Best Use is defined as follows:

The reasonably probable use of property that results in the highest value.⁴

⁴*The Appraisal of Real Estate*, published by Appraisal Institute, Fourteenth Edition, 2013, p. 332.

This investigation specifically addresses market/economic feasibility by analyzing current market conditions. In addition, it states that in the analysis of pertinent data, four tests are implicit and are applied in the following order to develop adequate support for the appraiser's highest and best use opinion:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

After the analysis, the highest and best use yielding the greatest property value is concluded. Implied in the definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. Since the subject property is vacant and unimproved, only an analysis of the property as vacant is warranted.

Any proposed use for the subject property must be legally permissible. Legal considerations primarily relate to zoning regulations and restrictive covenants recorded by deed (if any). The subject tract is located in Rockingham County, within the ETJ of the City of Eden and is currently zoned I-2, Industrial District. This zoning classification is consistent with the other surrounding developments. While not a regulatory document, the City of Eden Land Development Plan and the City of Eden Land Use Map currently designate the subject area as being an Employment Center. The intent of this designation is to accommodate large-scale existing employment and light-industrial uses, and to provide for new office and/or business parks, research campuses, and a variety of industrial, commercial, institutional, and open space uses. The subject's current zoning is consistent with the existing neighborhood trends, as well as the future land use plan.

Physical characteristics are also important in determining the highest and best use of a property. The subject tract contains 204.747 acres, is generally level to gently rolling throughout and has the availability of all public utilities. These are generally favorable attributes of an industrial tract; however, the subject is limited in terms of its minimal road frontage along South New Street, its irregular shape and that approximately 40% of the total land area is within a flood hazard zone, and/or a floodway, which is even more preclusive. The limited road frontage is not overly restrictive

in that a heavy industrial user does not necessarily need visibility or a significant amount of road frontage. So long as large vehicles can access the property, the limited frontage is not as critical in the development potential of a property, as might be found with a commercial or even a light industrial use. While frontage along the Dan River may be a factor influencing value if the highest and best use of a tract were found to be for residential subdivision, river frontage is not typically a feature desired/required by a heavy industrial user. That said, City of Eden officials indicated a desire to control the land along the bounds of the river. The subject tract is also encumbered by gas and sewer easements; however, these easements are within the bounds of the flood area and are not felt to further restrict the subject's potential. The physical features of the subject tract would accommodate any number of heavy industrial uses.

The next criterion in the highest and best use analysis examines uses that are financially feasible and maximally productive. The neighborhood analysis reveals that this immediate area of Eden is predominated with a mixture of uses. Along South New Street, in the immediate neighborhood of the subject, the properties are industrial in nature. This industrial node, which includes the Duke Energy site, is bounded to the south by the Dan River and is largely surrounded by older single-family residential developments. Service oriented businesses are located along the more predominant thoroughfares and in locations with superior accessibility and visibility as compared to the subject.

As will be discussed in the valuation section that follows, there have been very few industrial tracts of the subject's size that have sold in recent years throughout the county. Many of the tracts, that are more similar in size, are in strictly agricultural areas and were purchased for farming or limited residential use. Due largely to the economy, the demand for larger, vacant industrial tracts has been somewhat limited, with many of the more recent industrial sales involving improved properties. That said, the subject has a land size that allows for flexibility in building footprint and would allow for suitable buffering for a heavy industrial use. The subject is unique in that it bears an industrial zoning classification and is in an area with other nearby industrial properties. This, in conjunction with the vision of Eden, which shows the subject area as an Employment Center, tends to indicate a heavy industrial use for the subject property. Based on all of the foregoing, the highest and best use of the subject property, as vacant, is for an industrial use.

VALUATION METHODOLOGY

The purpose of the valuation section is to combine the property specific information previously described, with additional information obtained from the real estate market, to estimate the market value of the subject property. For most types of real estate, value can typically be estimated using the three traditional approaches to value: the cost, income capitalization and sales comparison approaches, with a sales comparison approach appropriate for valuing vacant land.

Since the subject property is vacant and unimproved, only a sales comparison approach is applicable for valuing the subject land. Typical buyers and sellers in this market (and their real estate agents) would similarly consider sales of other land in their buying decisions, and with extended search parameters, the appraiser's research indicates sufficient sales of properties, with similar use potential to the subject, to employ a valid sales comparison approach analysis.

SALES COMPARISON APPROACH

The methodology of this analysis is to compare recent and similar land sales to the subject site, making adjustments for their general dissimilarities. An important element in valuing the subject's land is identifying truly "comparable" land sales. In order to identify the most current and applicable comparable land sales for the subject property, sales data was researched and gathered from the surrounding area.

The immediate subject area has seen only limited sales transactions in recent years. With the continued slow pace of sales activity, it was necessary to widen the search parameters for comparable sales regarding time frame and geographic area. The appraiser researched sales throughout Rockingham County over a period of the past several years, with particular focus on acreage tracts with similar characteristics as the subject, being larger undeveloped tracts with access to water and sewer, and located within or proximate to corporate city limits, and/or having variable topography or flood considerations. Discussions with county officials, economic development staff, real estate brokers and other market participants overwhelming indicated that there have been few

sales of large acreage tracts for any use beyond an agricultural use. The more recent non-residential transactions have typically involved smaller acreage tracts with mostly usable area and that are essentially ready for development, and tracts that were quasi-commercial in nature with good road frontage and visibility. Specifically with regard to industrial use, most of the recent transactions involved improved properties with substantial building improvements, business value and/or other considerations. These factors quickly narrow the field of potential sales, so that it is necessary to use the best information available, applying reasoning and judgment as to how to best utilize the available information for direct comparison analysis (to the subject property). More specifically, the appraiser is required to utilize some sales that are older than typically desired, some that are not in the immediate Eden market area, and some with characteristics that require substantial adjustment (both up and down) as further discussed below.

All of the sales utilized in this analysis are undeveloped tracts and have a similar industrial zoning with characteristics that make them suitable for an industrial use, such as access to public utilities. Further, while most of the comparables were not as large as the subject, all of the sales were larger than the size typically associated with a single industrial user, so that their use for direct comparison is warranted, and the required size adjustments are reasonable. Many of the sales required location adjustments to varying degrees, as well as adjustments for site utility differences typically associated with undeveloped tracts.

Sales 1, 2 and 5 are all located in Rockingham County, with the first two located in nearby Reidsville, and only Sale 5 within Eden. The acreage associated with these transactions ranges from approximately 45 to 70 acres, which is considerably smaller than the subject (204.747 acres). Still, they are the most similar and most recent industrial acreage tracts available in the immediate area (Rockingham County). While a somewhat older transaction date than typically desired (2014), Sale 5 is utilized for direct comparison, since it is the only identified larger acreage tract sale within Eden that has an industrial influence.

Sales 3 and 4 are also included for direct comparison, due to their recent sales dates (2017) and their larger acreage sizes and industrial influence. Sale 3 is located in Liberty, Randolph County, North Carolina. While this location is roughly 60 miles from the subject, it has a similar proximity to Greensboro and Durham, and a somewhat rural Triad location. A portion of this tract is industrially zoned and influenced and a portion continues to have a more agricultural influence. Based on its size, Triad location, and similar surrounding influences, it is an appropriate value indicator for the subject. Sale 4 is even further removed from the subject, being southwest of Asheboro in Albemarle, Stanly County, North Carolina. Again, its location is similar in terms of its rural surroundings, but having an industrial influence. In fact, this tract was purchased by the City of Albemarle, and is being marketed to industrial park users. This is similar to the highest and best use of the subject property, making this sale also a reliable indicator of market value for the subject, albeit not particularly proximate locationally.

It is also noted that buyers/users of large industrial tracts like the subject typically consider sites of varying sizes and in varying locations (counties, cities and states) for those that fit their needs and desires, with considerations such as incentives, taxes, access to infrastructure, access to markets and shipping routes/methods, and demographics data such as local workforce information, etc. playing into their ultimate decisions. As such, this further justifies the consideration of sales outside of the Rockingham County market as valid and acceptable indicators in this analysis.

The comparable sales utilized in this valuation analysis are summarized on the following pages and chart, along with the adjustments necessary to reflect the dissimilarities between the sales and the subject property. This range of adjusted values is reconciled into a final value indication for the subject. For purposes of this analysis, the unit of measure will be on a per acre basis, consistent with the market for larger acreage industrial tracts.

Land Sale 1

Property Identification**Record ID** 6537**Location** NW/c Freeway Drive and Carrot Road, Reidsville, Rockingham County, NC**Tax ID** 8913 00 23 1798 00**Stamps** \$480**Sales Data****Grantor** Johnston Family Real Estate LLC No. 1**Grantee** Smith Carolina Corporation**Sale Date** April 18, 2017**Deed Book/Page** 1523/1104**Property Rights** Fee simple**Conditions of Sale** Arm's-length transaction**Financing** Cash to seller**Verification** Diane Martin, Office Manager, and Roderick Smith, General Manager, Grantee;
336-349-2905; August 28, 2018**Sale Price** \$240,000**Land Data****Zoning** HI/CD, Heavy Industrial**Utilities** All Public Available Nearby**Shape** Irregular**Topography** Rolling**Flood Info** Not in a Flood Hazard Area**Access** Freeway Drive**Land Size Information****Gross Land Size** 45.483 Acres or 1,981,239 SF**Main Frontage** 883' Camel Road**Indicators****Sales Price/Gross Acre** \$5,277**Sales Price/SF** \$0.12**Remarks**

Just prior to closing on the property, the grantee was successful in having the property rezoned from an agricultural designation (prior landscape nursery use) to heavy industrial. The property is mostly cleared. Site work is underway for the construction of a manufacturing facility for Smith Carolina Corporation. Public water and public sewer are both available nearby; however, the purchaser does not intend to use these utilities.

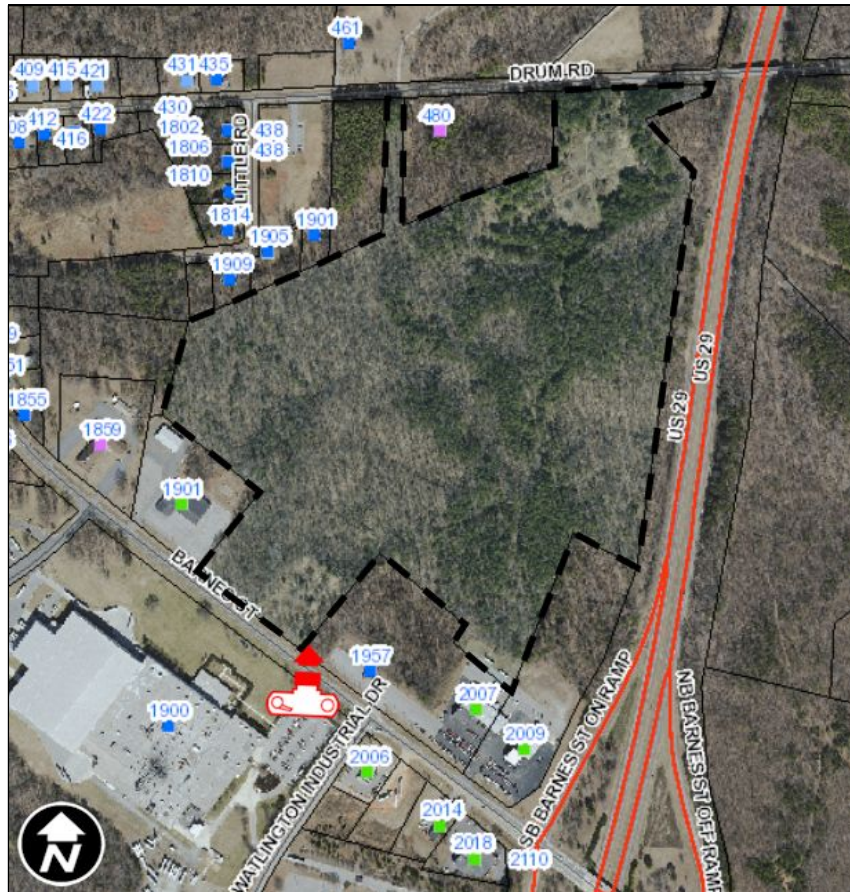
Land Sale 1 (Cont.)



Land Sale 2**Property Identification****Record ID** 6538**Location** East of 1901 Barnes Street, Reidsville, Rockingham County, NC**Tax ID** 8904-20-90-8575-00**Stamps** \$770**Sales Data****Grantor** Watchtower Bible and Tract Society of New York, Inc.**Grantee** The Investment Group of NC, LLC**Sale Date** November 06, 2017**Deed Book/Page** 1533/781**Property Rights** Fee simple**Conditions of Sale** Arm's-length transaction**Financing** Cash to seller**Verification** Jeff Davis, Listing Broker, J. Davis & Assoc.; 434-548-6039; August 28, 2018**Sale Price** \$385,000**Land Data****Zoning** HB, Highway Business**Utilities** All Public Available**Shape** Irregular**Topography** Variable**Flood Info** Not in a Flood Hazard Area**Access** Barnes Street, Drum Road**Land Size Information****Gross Land Size** 70.071 Acres or 3,052,293 SF**Main Frontage** 620' Barnes Street**Indicators****Sales Price/Gross Acre** \$5,494**Sales Price/SF** \$0.13**Remarks**

The listing broker indicated that the tract's topography is varied, with some generally level areas, and some areas of more steep terrain around a creek. The tract has frontage along three roadways, including US 29, and it is entirely wooded. It is located opposite the Ball Metal Beverage Packaging facility and other industrial developments along Watlington Industrial Drive. There are apparently no immediate plans for development.

Land Sale 2 (Cont.)



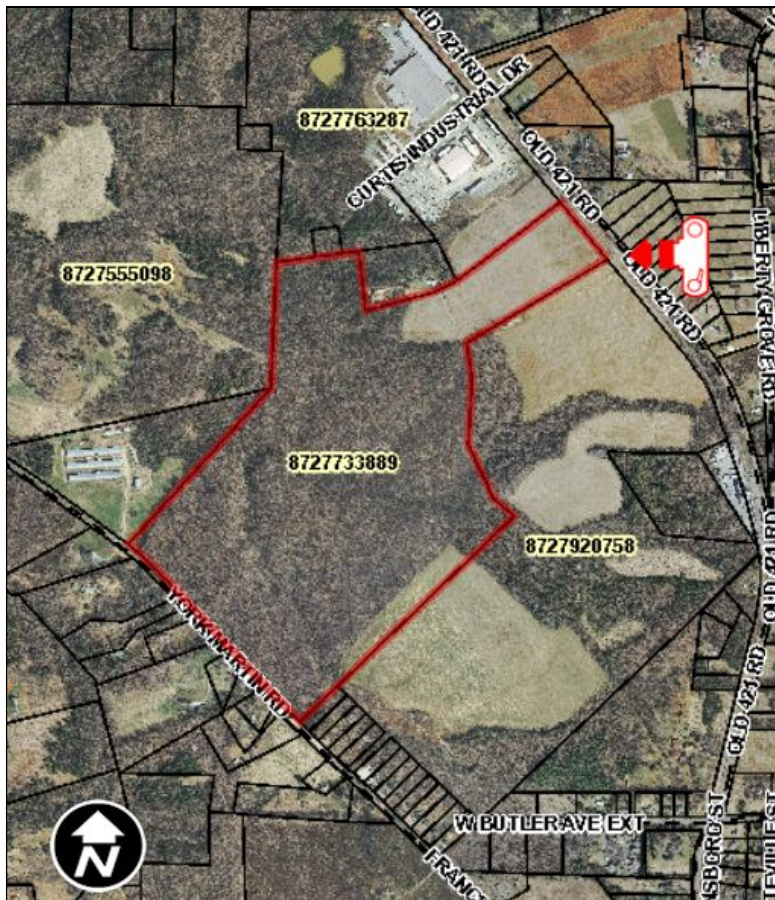
Land Sale 3**Property Identification****Record ID** 6539**Location** Between Old 421 Road and York Martin Road, south of Curtis Industrial Drive, Liberty, Randolph County, NC**Tax ID** 8727-73-3889**Stamps** \$1,519**Sales Data****Grantor** McHenry Hamilton CPA Trustee, etc.**Grantee** Theodore M. White**Sale Date** July 06, 2017**Deed Book/Page** 2553/682**Property Rights** Fee simple**Conditions of Sale** Arm's-length transaction**Financing** Cash to seller**Verification** Rick Baker, Listing Broker, Brown Investment Properties; 336-544-8013;

August 28, 2018

Sale Price \$759,500**Land Data****Zoning** IP & R40, Industrial Park and Residential**Utilities** All Public Available**Shape** Irregular**Topography** Rolling**Flood Info** Flood Zone runs through middle of property**Access** York Martin Road**Land Size Information****Gross Land Size** 145.208 Acres or 6,325,260 SF**Main Frontage** 1,900' York Martin Road**Indicators****Sales Price/Gross Acre** \$5,230**Sales Price/SF** \$0.12**Remarks**

The buyer reportedly intends to use the property for agricultural purposes, but also purchased it as an investment. A railroad line extends along the eastern property boundary and Old 421 Road frontage. There is currently not a railroad spur; however, the listing broker indicated that the potential for one does exist. The eastern portion of the property is currently cleared and level and is near other industrial developments (IP - Industrial Park District zoning). The western portion of the tract is currently wooded and adjoins rural residential and agricultural properties (R40 - Residential District zoning) along York Martin Road. A narrow area of flood hazard spans through the central portion of the tract in an east to west direction; however, this does not significantly influence the use potential of the land.

Land Sale 3 (Cont.)



Land Sale 4

Property Identification**Record ID** 6540**Location** US 52 Business South, north of Duck Road, and terminus of Henson Street, Albemarle, Stanly County, NC**Tax ID** 654702867363**Stamps** \$3,617**Sales Data****Grantor** Henry Farmer Family Limited Partnership, et al**Grantee** City of Albemarle**Sale Date** June 19, 2017**Deed Book/Page** 1613/423**Property Rights** Fee simple**Conditions of Sale** Arm's-length transaction**Financing** Cash to seller**Verification** Scott Mladenik, Listing Broker, Taylor Properties Group; 704-602-5900; August 28, 2018**Sale Price** \$1,808,500**Land Data****Zoning** HID, Heavy Industrial District**Utilities** All Public Available**Shape** Irregular**Topography** Rolling**Flood Info** Not in a Flood Hazard Area**Access** South Business 52**Land Size Information****Gross Land Size** 282.580 Acres or 12,309,185 SF**Main Frontage** 1,811' South Business 52**Indicators****Sales Price/Gross Acre** \$6,400**Sales Price/SF** \$0.15**Remarks**

The property was purchased by the City of Albemarle for the development of the Albemarle Corporate Center. The listing broker noted that this transaction was not part of an eminent domain action, and was actively negotiated between the involved parties. Tracts ranging in size from approximately 10 to 30 acres are currently being marketed as Smart Sites at approximately \$19,000 per acre. This land was previously leased to a farmer for agricultural use. There are some abandoned grave sites on the site; however, this was not noted to influence the pricing. The listing broker indicated that approximately 50% of the land area is usable (ponds, watershed, etc.). It is accessible along US 52 Business South, with additional frontage at the terminus of Henson Street.

Land Sale 4 (Cont.)



Land Sale 5**Property Identification**

Record ID 6541

Location 517 Summit Road, Eden, Rockingham County, NC

Tax ID 7080-07-57-7922-00

Stamps \$1,130

Sales Data

Grantor Donald J. Schille & spouse, Ellen F. Schille

Grantee Transpro Properties, LLC

Sale Date September 08, 2014

Deed Book/Page 1479/352

Property Rights Fee simple

Conditions of Sale Arm's-length transaction

Financing Cash to seller

Verification Robert Boone, Listing Broker, Drake Commercial Properties; 919-467-3400;
August 28, 2018

Sale Price \$565,000

Land Data

Zoning I1, Industrial

Utilities All Public Available

Shape Irregular

Topography Rolling

Flood Info Not in a Flood Hazard Area

Access Summit Road

Land Size Information

Gross Land Size 48.356 Acres or 2,106,387 SF

Main Frontage 628' Summit Road

Indicators

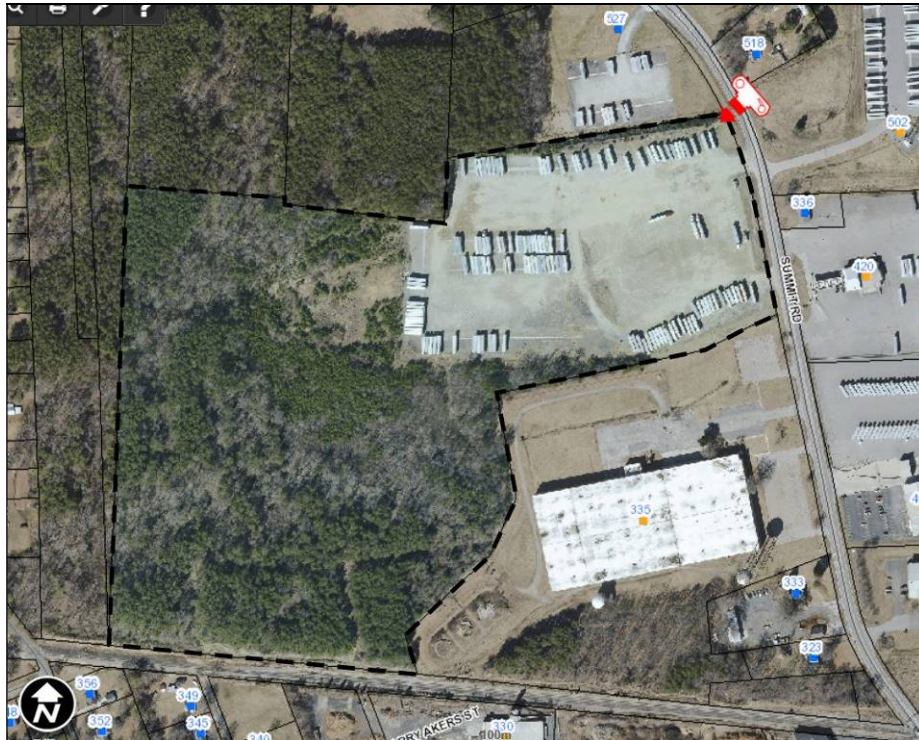
Sales Price/Gross Acre \$11,684

Sales Price/SF \$0.27

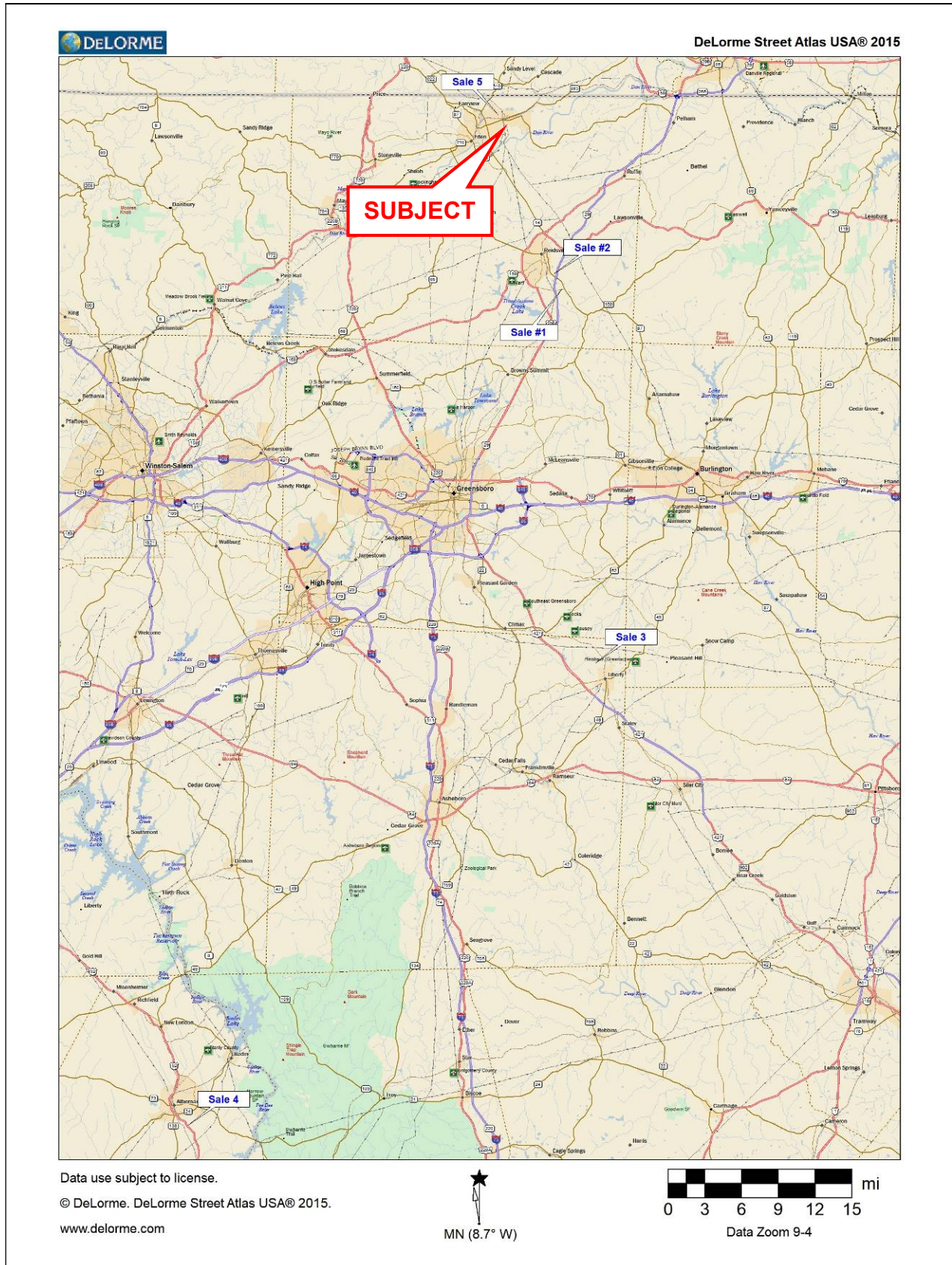
Remarks

This property is located within the city limits of Eden. Approximately 50% of this tract is cleared and generally level. The rear portion of the property is wooded and more low-lying/rolling in terrain. A rail line adjoins the rear property boundary. The property is in an industrially influenced area and was developed with a Carolina Freightways building subsequent to the transfer.

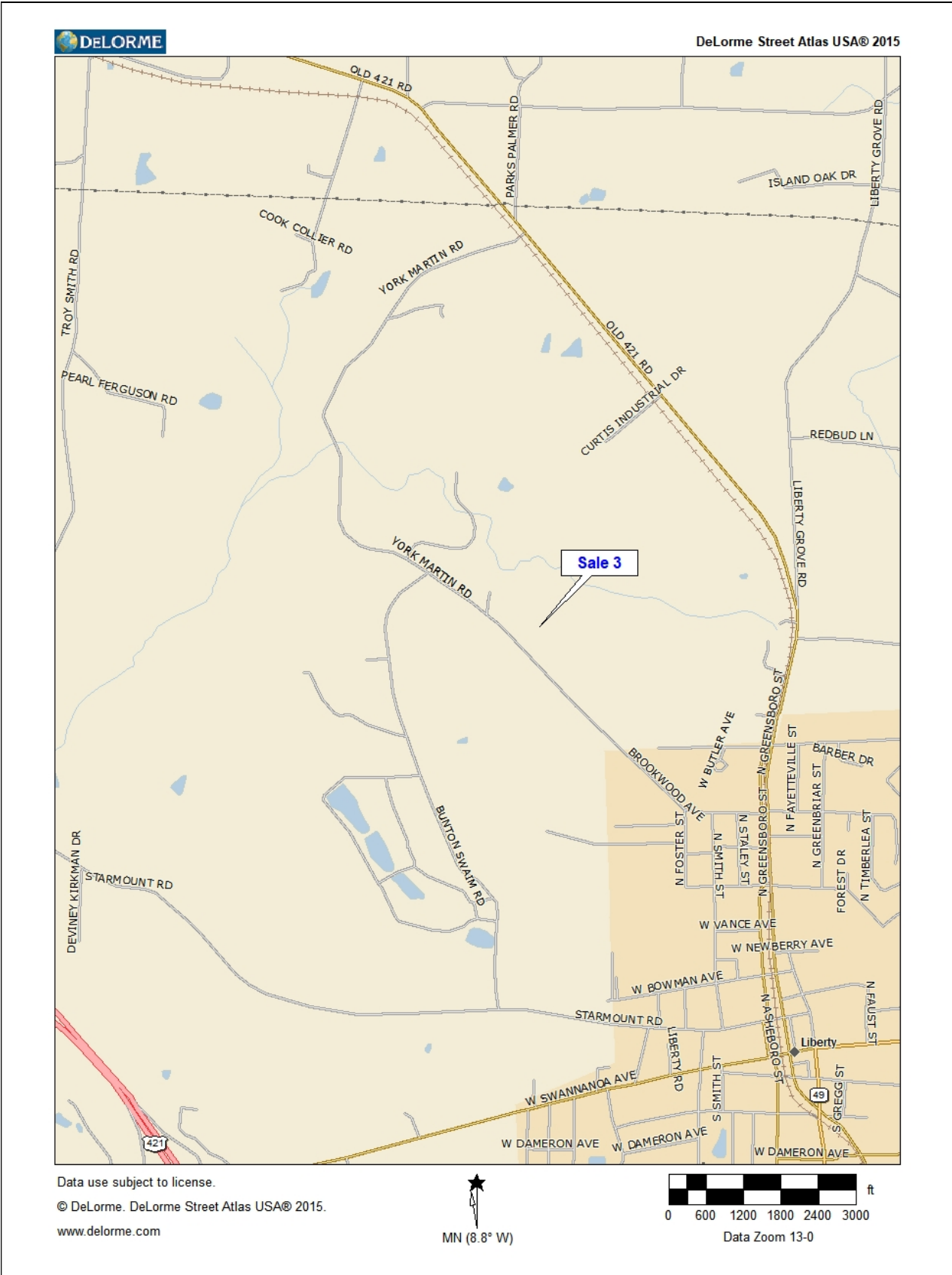
Land Sale 5 (Cont.)



Land Sale Location Map (All Sales)



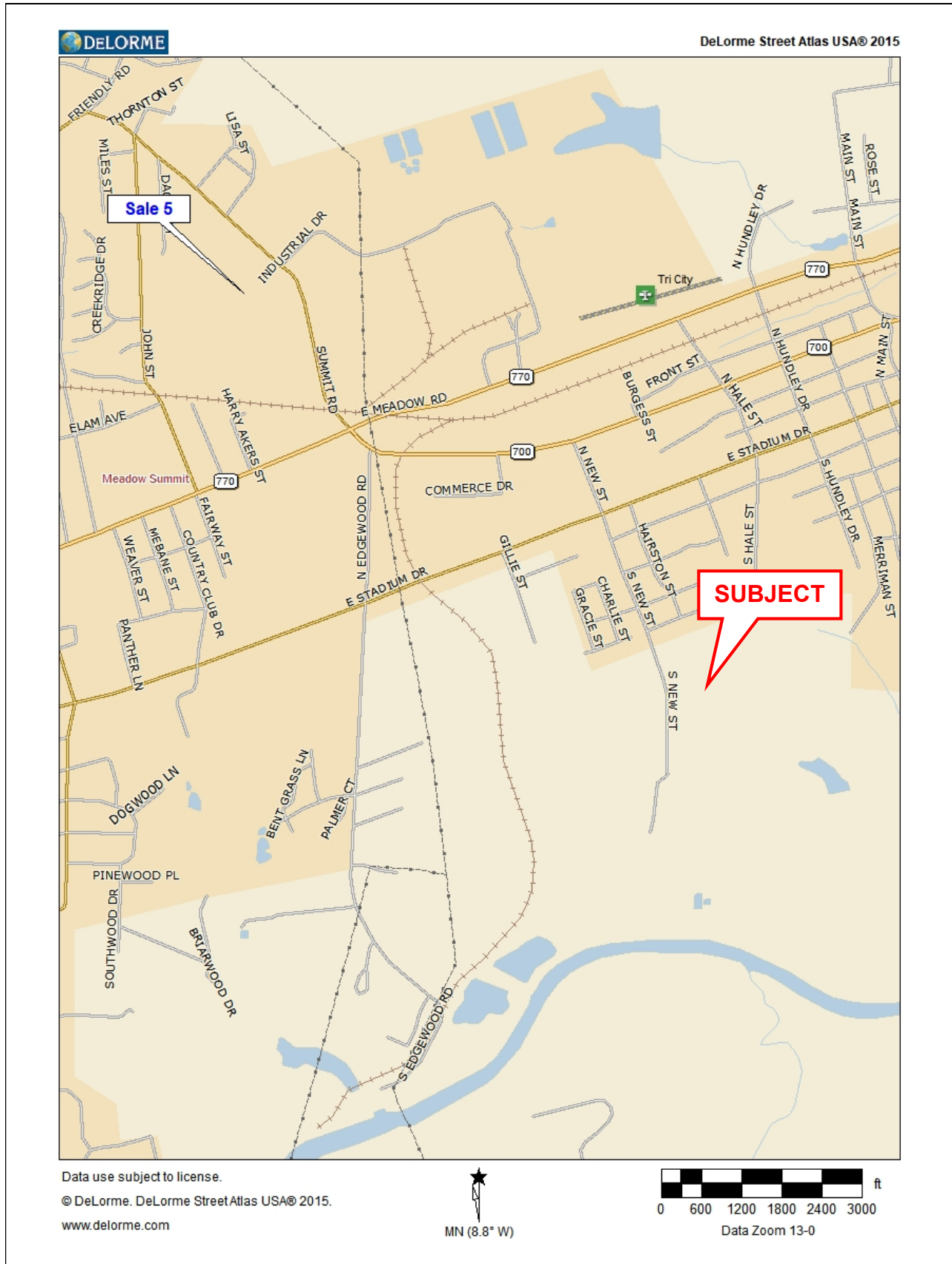
Land Sale Location Map



Land Sale Location Map



Land Sale Location Map



COMPARABLE SALES ADJUSTMENT CHART						
SUBJECT		SALE 1	SALE 2	SALE 3	SALE 4	SALE 5
Location City/Town	1136 Broadway Road Sanford	NW/c Freeway Drive and Carrot Road Reidsville	East of 1901 Barnes Street Reidsville	Between Old 421 Road and York Martin Road Liberty	US 52 Business South, North of Duck Road Albemarle	517 Summit Road Eden
Date of Sale Sale Price	September 1, 2018	April 18, 2017 \$240,000	November 6, 2017 \$385,000	July 6, 2017 \$759,500	June 19, 2017 \$1,808,500	September 8, 2014 \$565,000
Size (Acres)	204.747	45.483	70.071	145.208	282.580	48.356
Price per Acre		\$5,277	\$5,494	\$5,230	\$6,400	\$11,684
Market Adjustments						
Condition of Sale		0%	0%	0%	0%	0%
Time		0%	0%	0%	0%	0%
Adjusted Price per Acre		\$5,277	\$5,494	\$5,230	\$6,400	\$11,684
Physical Adjustments						
Location / Frontage		-5%	-10%	5%	-15%	-25%
Size		-10%	-10%	0%	5%	-10%
Zoning		10%	-5%	10%	0%	0%
Flood		-10%	-10%	0%	0%	-10%
Rail		0%	0%	-10%	0%	-10%
Site Utility		15%	25%	0%	-5%	0%
Net Adjustment		0%	-10%	5%	-15%	-55%
Total Adjusted Price per Acre		\$5,277	\$4,945	\$5,492	\$5,440	\$5,258

Adjustment Methodology:

The methodology is to make a comparison of the sales to the subject property with regard to the terms of sale and major differences in location and site characteristics. This analysis first considers adjustments to the comparable sales for the date of sale, property interest sold, any buyer/seller motivation, and for special financing. This market-adjusted price will then reflect a current sale price for a similar property interest on a cash basis as negotiated by typically motivated participants. The market adjusted sale price is then adjusted for specific locational and physical characteristics. The adjusted sale prices will then be correlated to an indicated value for the subject. First considered will be the Market Adjustments that apply to all sales for the valuation of the subject land. After this will be the description of the Location and Physical Adjustments and the resulting value indications.

Market Adjustments:

The sales conveyed a fee simple interest, were on a cash equivalent basis, and involved typically motivated participants, so no market adjustments are required for these categories. Needing to be considered for all of the sales is the changing market conditions that might result from the variances in the dates of sale.

Time Adjustment – Adjustments are often made for changes in property value over the period between the date of each comparable sale and the effective date of this appraisal. Research indicates that the subject market area has not experienced much change in land values in recent years. From an academic standpoint, a market conditions adjustment should ideally be estimated from a paired sale analysis within the market area. Other suitable methods include the analysis of the overall trend in sale transactions over a period, or the review of published real estate analyses/articles about the local market. With the preceding in mind, a review of market transactions in recent years indicated that the market areas in which the sales occurred are currently relatively stable from a value perspective. Effort has been made to use the most recent comparable land sales available in the following sales comparison analysis, to minimize the effect of any market conditions, with four of the five sales taking place in 2017. Given the stability of recent

market conditions and the relative recent transactions of the comparable sales utilized in this analysis, no adjustment is necessary to each sale for market conditions.

Physical Adjustments:

Location/Frontage – As previously noted, the subject is in a somewhat rural area, just outside of the City of Eden but within the ETJ, and one that is characterized by industrial uses with several supporting freight shipping and logistics operations in the surrounding vicinity. Further, while the subject has frontage along a public thoroughfare, it is not a major thoroughfare, but rather the termination of a local roadway serving other industrial uses.

Sale 1 is located along Freeway Drive just east of US 29 and west of Carrot Road, and just outside Reidsville, in Rockingham County. This location is generally similar to the subject's industrial and somewhat rural surroundings (the property was previously a landscape nursery); however, unlike the subject, it is proximate to a major highway at an interchange location. This is a superior feature that requires a downward adjustment, with this slightly offset by the subject's location in an area with many supportive shipping and logistics operations.

Sale 2 is located in Reidsville, and just north of Sale 1, in an area with other industrial uses. It has frontage along multiple roadways, including frontage and visibility along US 29, but more limited frontage along Barnes Street. There is an increased level of industrial development in this area, with even some commercial influence, as compared to the subject and nearby Sale 1; though, it is still somewhat rural too. Like Sale 1, this sale is also proximate to a US 29 interchange, which is a superior feature compared to the subject. Again, this requires a downward adjustment, and again with this being slightly offset by the subject's location in an area with many supportive shipping and logistics operations.

Sale 3 is located in Liberty, Randolph County, with similar but fewer surrounding industrial uses, along with more surrounding agricultural uses, making it somewhat more rural as compared to the subject. It has a desirable frontage along two roadways, and is considered similar as

compared to the subject, but without the nearby supportive shipping and logistics operations like the subject has. This sale, while generally similar overall, requires a small upward adjustment.

Sale 4 is located along US 52 Business South in Albemarle, Stanly County. This particular location has highway frontage, as well as additional access points near the northeastern portion of the tract. It is also proximate to Wal-Mart and other commercial users. Overall, the location of this acreage tract is superior, as compared to the subject; however, this is slightly offset due to its lack of nearby supportive shipping and logistics operations like the subject has. A downward adjustment is appropriate.

Sale 5 is located within the City of Eden, northwest of the subject, along a roadway that is populated with other industrial developments. This particular site/area is directly across from the MillerCoors brewery, which was still operational at the time of the sale, and one of the county/city's largest major manufacturing operations. Many of the surrounding uses are shipping/logistics operations, with this sale ultimately developed with such a use, too. Overall these factors make the location of this sale substantially more desirable than the subject's. Accordingly, a downward adjustment is appropriate.

Size – As previously noted, the sales have a wide variation in size, with Sales 3 and 4 being most similar in size to the subject property and the remaining three sales being smaller. Nevertheless, the three smaller comparables were larger than the size typically associated with a single industrial user, so that their use for direct comparison is warranted and the required size adjustments are reasonable. Nevertheless, some difference is still evident. As a general rule, larger tracts of land tend to sell for less per acre and smaller tracts tend to sell for more per acre, but as tracts get larger, the marginal change begins to level out. After considering these factors, Sales 1, 2, and 5 require downward adjustments for their smaller overall land areas. Sale 4 requires a small upward adjustment.

Utilities – Most industrial areas in the city/county have public water and sewer available, as does the subject. All the sales also have public water and sewer available, and so do not require adjustment.

Zoning – Sales 4 and 5 have a similar industrial zoning designation as the subject, such that no adjustment is required. Sale 2 is zoned HB, Highway Business, which allows a wider array of commercial developments. This is superior compared to the subject, and a downward adjustment is applicable due to the additional flexibility in development that this zoning affords the tract, with this adjustment tempered for the commercial influence already considered under the Location adjustment. Sale 1 was zoned with an agricultural designation. As a stipulation to the sale, the purchasers required a rezoning; however, the zoning was accomplished by their efforts. Accordingly, the transfer is considered based on its agricultural zoning classification that previously existed. This is inferior as compared to the subject and an upward adjustment is required. Sale 3 is partially zoned for an industrial use and partially zoned for an agricultural use. This split zoning is less desirable than the subject, which is entirely zoned for an industrial use. Accordingly, an upward adjustment is also warranted for this sale.

Flood Hazard – It is noted that a sizeable portion of the subject property is within a flood hazard, and/or floodway associated with its frontage along the Dan River. While river frontage is generally a desirable feature, it is not a significant factor influencing value for an industrial use. That said, the existence of the flood hazard area also does not significantly detract from the value of the land in that it can still be used for buffering, setbacks, density, etc. Sales 1, 2 and 5 do not have any flood hazard areas associated with them and are superior in that regard, with each sale requiring a downward adjustment. Sale 3 is bisected by a creek and associated flood area, which somewhat limits its development potential. This is generally similar to the subject, with no adjustment required. Similarly, Sale 4 also has some low-lying areas, ponds, and watershed restrictions that limits its usable area and development potential, which is considered similar to the subject. No adjustment is required for this sale.

Rail Access – While rail is not required for all industrial users, it does add some potential value and allow for a wider array of potential users. The subject property does not have the immediate availability of rail. This is also the case with Sales 1, 2, and 4, such that no adjustment is required for these sales. Sales 3 and 5 do have rail available, and while no spur lines currently exist to the sales, some potential does exist for this. Accordingly, downward adjustments are applicable for these two sales.

Site Utility (Shape, Terrain, Cleared versus Wooded) – The subject property is generally level to gently rolling in terrain and is entirely wooded throughout. It also is encumbered by permanent utility easements (gas and sewer) that cross the southern portion of the property; however, these easements are within the flood area, and no further consideration is necessary. Further, while it has an elongated shape, the subject tract is still functional due to its large size.

Sale 1 is nearly entirely cleared and has a long and narrow shape. The shape of this tract is somewhat limiting in terms of its development potential. Accordingly, an upward adjustment is warranted. Sale 2 is entirely wooded, similar to the subject, and also has a more sloping terrain and inferior/irregular shape. Accordingly, an upward adjustment is warranted for this sale. Sale 3 is similar to the subject in most regards, as it is mostly wooded and with an elongated, slightly irregular, but functional shape. No adjustment is required for this sale. Sale 4 has a similar terrain as the subject, but has a greater percentage of cleared land area and a functional shape. Overall, it is superior to the subject in terms of its utility and a downward adjustment is required. Sale 5 is approximately 50% cleared, superior to the subject, but with a slightly more constricted and less desirable shape, and with the wooded area having more low-lying, rolling terrain. Overall, these factors are considered offsetting and no adjustment is warranted under the category of site utility.

Correlation of Value – After the preceding analysis, the sales indicate a range of value from \$4,945 per acre to \$5,492 per acre. This is a narrow range given the lack of data for this particular property type (large acreage industrial tract in a somewhat rural market). Ideally, the most proximate sale would be given additional weight; however, in this case, the only sale in Eden (Sale 5) is one of the smaller acreage tracts, is also the oldest sale, and is also in a more direct industrial area adjacent to what was at the time, one the area's largest industrial operations. It requires sizeable adjustments under various categories of comparison and a large net adjustment. Sale 4 is the least proximate to the subject, and has a superior location. It does bracket the higher end of the size range, and was purchased by a municipality for an industrial use (similar to the subject's proposed use). Sales 1, 2 and 3 required minimal adjustments and low net adjustments overall. Further, each is a relatively current sale. Of these sales, Sales 1 and 2 are also located in Rockingham County, but are considerably smaller. Sale 3 is in nearby Randolph County, but is more similar in size. With weighted consideration afforded Sales 1, 2,

and 3, and with additional support provided by Sales 4 and 5, the subject land value is correlated and concluded to be \$5,300 per acre, or \$1,085,000 (\$5,300 per acre x 204.747 acres, rounded).

As noted, the appraiser is aware of a current agreement between Duke Energy Carolinas, LLC and the City of Eden to transfer the subject's 204.747-acre tract. According to Michael Dougherty, Director of Economic Development, City of Eden, as well as an article published in the Triad Business Journal, the property is to be transferred for \$1,500,000 to the City of Eden. The ownership interest in the property will then be equally split between Eden and Rockingham County with \$750,000 allocated to each entity. According to Kelly Stultz, Director of Planning & Inspections and Michael Dougherty, Director of Economic Development, there has been significant interest in this land area in recent months. Ideally, an end user would develop the property; however, it could also potentially be considered for a spec building, with appropriate funding.

The property was not listed for sale with a broker. An option to purchase the property was reportedly negotiated in conjunction with prior coal ash discussions with Duke Energy. The City of Eden ultimately opted to exercise this option. While some of the land area is less usable for sheer development purposes, due to its location within a flood hazard area and floodway, the City of Eden representative indicated that this area was suitable for buffering and density purposes, and that there was also an interest in controlling the development that was to occur along the bounds of the Dan River.

It is noted that the \$1,500,000 reported transfer price of the property is reportedly still being negotiated, and cannot be considered as a reliable indication of market value. As discussed, the property was also previously transferred to Duke Energy Carolinas, LLC for \$2,500,000, as part of a larger 422.245-acre multi-tract purchase, which implies a per acre valuation of \$5,921. As other non-real estate value related factors were likely in play at the time of this transfer, this transfer price is also not considered as an arm's-length sale.

The appraiser is aware of the potential for contamination at the subject site, most especially the land area adjoining and closest to the Dan River. The appraiser is not an expert in the

field of contamination and make no claims in this appraisal as to the suitability of the soils. This appraisal report assumes that the soil is free of contamination and assumes no impact from any potential nearby contamination.

RECONCILIATION

The value of the subject land is established by the sales comparison approach, with its value indication as of the effective date of appraisal shown on the following chart:

RECONCILIATION	
Land Value	\$ 1,085,000
Improvement Value	\$ 0
Final Value Estimate - Before	\$ 1,085,000

APPRAISER'S CERTIFICATION

The appraiser certifies that, to the best of their knowledge and belief,

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is the appraiser's personal, unbiased professional analyses, opinions, and conclusions.
3. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. The appraiser's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. The Inspecting Appraiser made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report.
9. The appraisal has been performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.
10. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.
11. As of the date of this report, the appraiser has completed the continuing education program of the Appraisal Institute.
12. The appraiser has previously completed an appraisal of the property that is the subject of this assignment, with that having a July 11, 2014 date of value.

Elizabeth A. Herring

9/12/2018

Elizabeth A. Herring, MAI
Inspecting Appraiser
State - Certified General Appraiser
Certificate # A4237



Exhibit B

ADDENDA

Exhibit B

PHOTOGRAPHS OF SUBJECT



(1) View looking south from the central portion of the property.



(2) View looking west from the central portion of the property.

Exhibit B



(3) View looking north from the central portion of the property.



(4) View looking east from the central portion of the property.

Exhibit B



(5) View looking east along the internal drive near the northern property boundary.



(6) View looking west along the internal drive near the northern property boundary.

Exhibit B



(7) View looking east onto the subject tract from near the northwestern property corner.



(8) View looking west toward South New Street from near the northwestern property corner.

Exhibit B



(9) View looking southeast toward the subject tract. Photograph taken from South New Street near the northwestern property corner.



(10) View looking south along South New Street. Photograph taken from near the northwestern property corner.

Exhibit B



(11) View looking north along South New Street. Photograph taken from near the northwestern property corner.



(12) View looking southeast toward the subject tract (beyond the fence). Photograph taken from the parking lot of the adjoining industrial facility to the west of the subject.

Exhibit B



(13) View looking northeast toward the subject tract (beyond the fence). Photograph taken from the parking lot of the adjoining industrial facility to the west of the subject.



(14) View looking southeast toward the subject tract (beyond the fence). Photograph taken from the parking lot of the adjoining industrial facility to the west of the subject.

Exhibit B



(15) View looking southeast toward the rear portion of the subject tract (beyond the fence). Photograph taken from the rear of the parking lot of the adjoining industrial facility to the west of the subject.



(16) View looking east toward the subject tract. Photograph taken near the terminus of South New Street.

Exhibit B



(17) View looking north from near the terminus of South New Street. The subject tract is to the east of the photograph.



(18) View looking south from the terminus of South New Street. Photograph is of the adjoining industrial facility to the west of the subject.

Exhibit B

PHOTOGRAPH LOCATION MAP



QUALIFICATIONS

Elizabeth A. Herring

Designation: MAI (2005)

Education: The Pennsylvania State University, University Park, Pennsylvania
Bachelor of Science in Business Administration - May 1995

Employment:

3/1998 to Present: John McCracken & Associates, Inc.
Greensboro, North Carolina
Commercial Real Estate Appraiser and Consultant

5/1995 to 3/1998: Weinstein Realty Advisors
York, Pennsylvania
Associate Appraiser

5/1993 to 8/1994: Weinstein Appraisal Group
York, Pennsylvania
Pennsylvania State University Intern

Professional Affiliations:

Member of the NC Chapter of the Appraisal Institute (1998)
Member of the International Right of Way Association (2010)

Professional Licenses/Certifications:

North Carolina State-Certified General Real Estate Appraiser
Certificate #A4237 - Issued 1998

Commonwealth of Virginia Certified General Real Estate Appraiser
Certificate #4001 008009 – Issued 2003

North Carolina Real Estate Broker
License No. 189517 – Issued 2001

Testimony: Qualified as an Expert Witness in Various Counties in North Carolina,
Virginia and West Virginia